



Milliman USA
Consultants and Actuaries

111 Monument Circle, Suite 601
Indianapolis, IN 46204-5128
Tel +1 317 639.1000
Fax +1 317 639.1001
www.milliman.com

May 3, 2004

Mr. Stephen Fitton
Program Policy & Actuarial Services Bureau Director
State of Michigan, Medical Services Administration
Department of Community Health
400 S. Pine Street
P.O. Box 30479
Lansing, MI 48909-7979

RE: CAPITATION RATE DEVELOPMENT – FY 2005 AND FY 2006

Dear Steve:

Milliman USA, Inc. (Milliman) has been retained by the State of Michigan, Department of Community Health (MDCH) to develop capitation rates for the risk based managed care health plans for fiscal years 2005 and 2006. This letter provides the documentation for the development of the actuarially sound capitation rates. The documentation has been developed to address the items outlined in the Centers for Medicare and Medicaid Services rate setting checklist for regional offices. This letter combines and replaces our April 9 and April 23 letters.

LIMITATIONS

The information contained in this letter, including the enclosures, has been prepared for the State of Michigan, Department of Community Health and their consultants and advisors. It is our understanding that the information contained in this letter may be utilized in a public document. To the extent that the information contained in this letter is provided to third parties, the letter should be distributed in its entirety. Any user of the data must possess a certain level of expertise in actuarial science and healthcare modeling so as not to misinterpret the data presented.

Milliman makes no representations or warranties regarding the contents of this letter to third parties. Likewise, third parties are instructed that they are to place no reliance upon this letter prepared for MDCH by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties. Other parties receiving this letter must rely upon their own experts in drawing conclusions about the MDCH's capitation rates, assumptions, and trends.

The information contained in this letter was prepared as documentation of the actuarially sound capitation rates for Medicaid managed care organization health plans in the State of Michigan. The information may not be appropriate for any other purpose.



Mr. Stephen Fitton
May 3, 2004
Page 2

EXECUTIVE SUMMARY

Capitation rate ranges have been developed for each of the state fiscal years, beginning October 1, 2004 and October 1, 2005. The capitation rate ranges vary by geographic region, aid category, and age/gender. The Blind and Disabled rates will be adjusted by health plan using the CDPS diagnosis risk adjuster. Enclosure 1 illustrates the rates and the adjustment factors.

In addition to the standard adjustment factors, the capitation rates will be adjusted by a fiscal year premium distribution factor. The premium distribution factor allows for the distribution of the rate adjustment to be distributed between fiscal year 2005 and 2006. The distribution factor allows for the capitation rate increase to be limited to 7.5% in fiscal year 2005. The residual rate increase from fiscal year 2005 has been included in the fiscal year 2006 rates. Therefore, the total capitation rates paid for the two fiscal years are actuarially sound.

In aggregate, the capitation rates result in a 14.2% to 27.3% increase during the two-year period in comparison to the current capitation rates. The rate increase range reflects the two end points of the capitation rates. The composite rate increase reflects the health plan enrollment as of December 2003.

Enclosure 2 contains an actuarial certification regarding the actuarial soundness of the capitation rates. The remainder of this letter provides the documentation of the development of the capitation rates. This letter should be provided in its entirety to CMS for their approval of the capitation rates.

CAPITATION RATE DEVELOPMENT

The capitation rates were developed based on FFS and health plan encounter claim experience from July 2001 through June 2003, the *Milliman Medicaid Cost Guidelines (Guidelines)*, and other Milliman proprietary data. The capitation rates were developed on an actuarially sound basis based on health plan claim experience with adjustments for healthcare management, adolescent centers add-on payments, mental health prescription drugs, non-emergency transportation, copayments, third party liability recoveries, and regional area factors. The actuarially sound capitation rates were developed following the requirements outlined in the checklist guidelines prepared by CMS. This section of the letter follows the checklist and provides the required documentation.

AA.1. – Overview of Rate setting Methodology

AA.1.0. – Overview of Rate setting Methodology

MDCH contracted with Milliman USA to determine actuarially sound capitation rates for the TANF/Program L/Caretaker Relative populations (TANF), Blind & Disabled Non-Dual (Disabled), and the Aged Non-Dual (Aged) populations. Rates were developed separately by region group for the Detroit metropolitan area (Regions 1, 9, and 10) and the Out-state area (Regions 2 through 8). The actuarially sound capitation rates were developed from historical FFS claims and reported encounter utilization. The historical FFS claim experience was used to



Mr. Stephen Fitton
May 3, 2004
Page 3

price the encounter utilization claim experience. Adjustments were made to the cost per service for the HMO population for professional services based on a procedure code distribution analysis of the encounter and FFS experience. A similar process was performed using NDC codes to analyze the average cost per script between the FFS and hospital populations. Additional adjustments applied to the HMO cost per service include: pharmacy rebates, inpatient capital, and reductions in physician emergency room reimbursement. The historical experience was converted to a per member per month basis and stratified by region, age/gender rating cell, and category of service. The historical experience was trended forward based on projected trend rates to a center point of April 1, 2005 for the 2005 fiscal year contract period, and likewise to a center point of April 1, 2006 for the 2006 fiscal year contract period. The historical experience was adjusted to reflect adjustments to the utilization and average cost per service that would be expected in a managed care organization. The range of adjustments was based on information contained in the *Guidelines*, as well as experience from other health plans.

Capitation rates for the Aged population were based on Disabled rates due to the limited credibility of the historical data for the population. Adjustments factors were developed for the Aged population from historical cost relationships between the Aged and Disabled populations. The cost relationship factors will be applied to the Disabled rates to determine capitation rates for the Aged population. The Aged population rate will not be adjusted for each plan by the plan's Disabled CDPS risk score.

We have prepared a range of rates assuming two levels of healthcare management. A low degree of healthcare management (DoHCM) establishes the upper end of the capitation rates. A high DoHCM establishes the low end of the capitation rates.

The capitation rates will be adjusted by a premium distribution factor. This factor distributes a portion of the rate increase from 2005 to 2006. The factors are shown as a separate multiplier to the capitation rates. The factor will be applied to all rate cells. The factor has been calculated to establish actuarially sound capitation rates during the two-year period.

AA.1.1. – Actuarial Certification

An actuarial certification has been included in Enclosure 2 of this letter. The letter has been signed by Robert M. Damler, FSA, a Principal and Consulting Actuary in the Indianapolis office of Milliman USA, Inc. Mr. Damler is a Member of the American Academy of Actuaries and meets the qualification standards established by the American Academy of Actuaries. This letter should be used to supplement the Actuarial Certification by outlining a detailed description of the rate setting methodology and the applicable checklist. Enclosure 3 provides an illustration of the capitation rate calculation.

AA.1.2. – Projection of Expenditures

Enclosure 4 provides the expected fiscal year impact of the new capitation rates for fiscal years 2005 and 2006 compared to the current rates on a regional basis for each of the 18 current health plans. Fiscal impact summaries were developed for both the low DoHCM and high DoHCM assumptions for each fiscal year. Using the December 2003 enrollment, the summaries provide the difference in total premium paid between the current rates and the actuarially sound rate



ranges developed by Milliman. A positive dollar amount reflects an increase in payments from the current rates.

AA.1.3. – Procurement, Prior Approval and Rate Setting

MDCH will sign a contract with entities meeting the technical programmatic requirements of the state, and that will accept the actuarially-sound, state-determined rate.

AA.1.5. – Risk Contracts

This section is a contractual issue between MDCH and the health plans.

AA.1.6. – Limit on Payment to Other Providers

This section is a contractual issue between MDCH and the health plans.

AA.1.7. –Rate Modifications

This section is not applicable. MDCH will be signing new contracts with the health plans. The capitation rates have been updated to a new rate base.

AA.2. – Base Year Utilization and Cost Data

AA.2.0. – Base Year Utilization and Cost Data

The base year data was derived from a comparable Medicaid managed care population that currently is and will continue to be enrolled in the managed care organizations. Under the terms of our contract with MDCH, Milliman received monthly detailed claim and eligibility files from MDCH for both the FFS and HMO Medicaid populations.

Base utilization rates were developed from health plan reported encounter data. FFS cost per service amounts were used to price the encounter utilization. Several adjustments were made to the FFS cost per service amounts to make them more comparable to a managed care population.

For professional services, Milliman analyzed the procedure code distribution of services in both the HMO and FFS populations on a line item basis within each category of service. For each procedure code, a cost per unit amount was calculated from the FFS data. The cost per unit amount was applied to the encounter utilization data by procedure code. The aggregate cost per unit for each line item and population was calculated using the actual FFS claim dollars and the estimated dollars for the HMO population. The ratio of the HMO cost per unit to the FFS cost per unit was the adjustment factor applied to the base FFS cost per unit in each of the professional categories of service. A similar cost per script adjustment was made for the prescription drug benefit using the NDC-code. These adjustments were calculated separately for the TANF and Disabled populations.

Several other minor adjustments were made to the FFS cost per service items. Milliman adjusted the FFS inpatient cost per service base amounts by 9.6%. The 9.6% reflects an adjustment for



hospital inpatient capital that is paid outside the fee-for-service payment system. Physician emergency room reimbursement was reduced by 20% under the direction of MDCH. The reduction reflects a proposed change in the fee-for-service fee schedule. For pharmacy expenditures, Milliman reduced the base FFS cost per script by 2% for the expected rebates the health plans will receive through their contracts.

Under the terms of the contract, the health plans will share 40% of the risk of certain mental health drugs. Additionally, certain HIV/AIDS drugs have been listed as a 100% carve-out from the contract. Currently, the health plans are at-risk for the HIV/AIDS drugs. The prescription drugs have been adjusted to reflect the carve-outs.

AA.2.1. – Medicaid Eligibles under the Contract

Milliman extracted the eligible population information from historical data. The eligible population for the TANF actuarial sound rates includes the TANF, Program L, and Caretakers populations. The Disabled population consists of only non-dual recipients within the program.

AA.2.2 Dual Eligibles

This adjustment is not applicable since dual eligible members are excluded from risk-based managed care.

AA.2.3 Spenddown

This adjustment is not applicable since spend-down members are excluded from risk-based managed care.

AA.2.4. – State Plan Services Only

The capitation rates developed include only state plan approved services that the health plans are required to provide under the contract.

AA.2.5. – Capitated Entity Services

Milliman did not include any adjustments to the encounter data to reflect services that may be covered by the managed care organizations from the contract savings.

AA.3. – Adjustments to the Base Year Data

AA.3.1 – Benefit Differences

Milliman added adjustments to the base claim cost for each aid category for services covered in the Medicaid risk contract that were not included in the claim experience. The following claim cost adjustments were added by Milliman: adolescent centers, non-emergency transportation, mental health prescription drugs, and copayment addition.



Mr. Stephen Fitton
May 3, 2004
Page 6

Adolescent Centers is a new benefit being provided under the Medicaid risk contract in the TANF population. The cost was estimated at \$2.46 per member per month for 5-14 year olds and \$1.98 per member per month for 15-20 year olds. The cost estimate was developed by MDCH.

Non-emergency transportation had limited coding in the base encounter experience. From previous state Medicaid program work, Milliman estimated the cost at \$1.00 per member per month for the TANF population and \$2.50 per member per month for the Disabled population.

Mental health prescription drug utilization was not contained in the encounter data. The mental health prescription drug adjustment was calculated based on expenditure and member month data provided to Milliman by MDCH. The PMPM amount for the adjustment was trended forward to fiscal years 2005 and 2006 using the prescription drug trend for the respective population and region group. The rates reflect 40% of the cost of the applicable mental health drugs.

For the over age 21 population, the following categories of service were removed due to a change in state plan services: hearing and speech exams, podiatrist services, and chiropractor services.

Members enrolled in the health plans are not responsible for copayments. The FFS cost per unit reflected the reduction for copayments. We added the per member per month value of the copayment amounts to the applicable age cells.

AA.3.2. – Administrative Cost Allowance Calculations

In the development of the actuarially sound capitation rates, Milliman has included an administrative cost allowance of 18.0% for the non-maternity capitation rates and 9.0% for the delivery case rate. The administrative cost allowance was calculated as a percentage of the capitation rate. Therefore, the capitation rate was determined by dividing the projected managed care claim cost by one minus the administrative cost allowance (*e.g.*, 1 minus 18.0%). By determining the capitation rate in this manner, the administrative allowance may be expressed as a percentage of the capitation rate. On a composite basis, the administrative cost allowance is approximately 17.9%. The composite would vary for each health plan based on the number of members and deliveries. In the establishment of the administrative cost allowance, we have utilized a value that is representative of Medicaid managed care organizations. Milliman reviewed data reported by the Michigan Medicaid managed care organizations for calendar years 2001 through 2003. Based on this review, we have included the administrative cost allowances as outlined in Table 6.



Table 6

**STATE OF MICHIGAN
DEPARTMENT OF COMMUNITY HEALTH
Administrative Cost Allowance**

Percent of Capitation

Item	TANF	Disabled	Maternity Case Rate
Administration	9.5%	9.5%	1.5%
QAAP Assessment	6.0%	6.0%	6.0%
Profit/Contingency	1.0%	1.0%	1.0%
Surplus Contribution	1.5%	1.5%	0.5%
Total	18.0%	18.0%	9.0%

AA.3.3. – Special Populations’ Adjustments

This adjustment is not required due to the method of the data extraction and covered populations.

AA.3.4. – Eligibility Adjustments

The base data was adjusted to reflect the exclusion of member months that would not be covered during the managed care enrollment periods.

AA.3.5. – DSH Payments

DSH payments were not included in the development of the actuarially sound capitation rates. DSH payments are paid outside the fee-for-service payment system.

AA.3.6. – Third Party Liability

MDCH provided Milliman with a third party liability recovery rate of 2.5%. The value was used as a reduction to the base claim costs.

AA.3.7. – Copayments

The projected health plan experience was calculated net of member co-payments. For both the TANF and Disabled populations, we added the value of copayments for the applicable populations based on the projected utilization of copayment required services. The value of copayments was calculated for both low and high degree of healthcare management assumptions. The values are shown in Enclosure 3.

AA.3.8. – Graduate Medical Education

Medical education payments for Medicaid stays are included in the DRG payments in the historical fee-for-service experience. No further adjustments were included.



AA.3.9. – FQHC and RHC Reimbursement

Milliman did not adjust the fee-for-service data in the development of the capitation rates.

AA.3.10. – Cost Trending/Inflation

In the development of the actuarially sound capitation rates, Milliman developed trend rates to project the base period experience forward to fiscal years 2005 and 2006. The trend rates were developed from MDCH's incurred claim forecast for fiscal years 2001 through 2005. Milliman examined the PMPM growth in the FFS population between state fiscal year 2004 and 2005 by service category and population. For the TANF population, trend rates were blended together by projected 2005 HMO enrollment in the TANF, Program L, and Caretakers populations. Adjustments were made to the FFS trend rates due to the effect of managed care. The trend rates shown in Table 7 were applied to the PMPM cost.

Table 7

**STATE OF MICHIGAN
DEPARTMENT OF COMMUNITY HEALTH
2005 and 2006 PMPM Annual Trend Rates**

Category of Service	Category of Assistance	
	TANF	Disabled
Inpatient Hospital	1.7%	2.7%
Outpatient Hospital	2.3%	5.9%
Pharmacy	11.3%	10.4%
Physician	2.6%	5.8%
Other Ancillary	5.4%	2.4%

AA.3.11. – Utilization Adjustments

Milliman adjusted the average reimbursement rates to reflect changes in the mix/intensity of services due to the management of health care. The reimbursement rate changes were developed from data and information contained in the *Guidelines*.

Utilization and average reimbursement adjustments were developed for each age, gender, and aid category. The adjustments for both utilization and average reimbursement are shown in the projection worksheets for each aid category. Milliman did not assume any managed care savings for the maternity delivery case rate. The managed care utilization adjustments are shown in Enclosure 5.

AA.3.12. –Utilization and Cost Assumptions

The population covered under the program is mandatorily enrolled in the health plans. The morbidity characteristics were developed from health plan experience and would continue to be appropriate for the population to be covered.



AA.3.13. – Post-eligibility Treatment of Income

Milliman did not adjust the data to reflect this post-eligibility treatment of income.

AA.3.14. – Incomplete Data Adjustment

Milliman used 24 months of claims experience for the health plan population that was incurred through June 2003 and paid through November 2003 (five months of run-out). Milliman applied claim completion factors to the base experience period. The claim completion factors were developed by service category and population based on claims experience for the FFS population incurred from April 2001 through March 2003 and paid through August 2003. Separate sets of completion factors were developed for the TANF and Disabled populations. The following table illustrates the composite completion factors that were used.

	Hospital Inpatient	Hospital Outpatient	Physician	Prescription	DME
TANF	1.035	1.028	1.029	1.001	1.034
Disabled	1.067	1.042	1.049	1.002	1.036

AA.4.1. and AA.4.2 – Age and Gender Rating Categories

The following table illustrates the age/gender rating categories used for the development of the capitation rates. The Disabled rates will be adjusted using the CDPS diagnosis risk adjustment.

Age Range	Gender
<1	Male/Female
1-4	Male/Female
5-14	Male/Female
15-20	Male/Female
21-25	Male/Female
26-44	Male/Female
45+	Male/Female
Blind and Disabled	All Ages
Aged	All Ages
Delivery Case Rate	All Ages

AA.4.3. and AA.4.4. – Locality/Region and Eligibility Categories

MDCH has separated the counties into 10 regions. The capitation rates were developed separately for Regions 1, 9, and 10, and Regions 2 through 8. The region-wide rates were adjusted by area factor relativities developed from the FFS experience. The region-wide area factors composite to a 1.0 using the December 2003 enrollment.



AA.5.0., AA.5.1, and AA.5.2. – Data Smoothing

Milliman received encounter utilization data for each of the 18 current health plans. Milliman reviewed the utilization data of each health plan for reasonableness and consistency during the base time period of July 2001 through June 2003. For each health plan, a decision was made to include or exclude the encounter data on a category of service basis. The following categories of service were used: Inpatient Hospital, Outpatient Hospital, Physician, Prescription Drugs, and Other Ancillary. If the health plan's data appeared unreasonable during the base period, Milliman excluded their experience from the encounter data. Additionally, the health plan's eligibility was removed from the eligibility base used to calculate utilization rates for the category of service.

AA.5.3. – Risk – Adjustment

Milliman used the Chronic Illness and Disability Payment System (CDPS) to adjust capitation rates for the Disabled population on a regional basis. The CDPS system will be used to calculate an average risk score for each health plan on a region-by-region basis. The health plan's risk scores will be normalized to a 1.0 for Regions 1, 9, and 10 and Regions 2 through 8. After the individual regions are normalized, the risk adjustment factors will be adjusted to reflect credibility based on the number of lives in the region. The credibility adjusted rates will then be limited within a corridor range of 0.90 to 1.10. Finally, the corridor adjusted risk scores will be re-normalized to a 1.0 based on geographic region groupings of Regions 1, 9, and 10 and Regions 2 through 8. The CDPS risk scores will be applied to the Disabled actuarially sound capitation rates shown in Enclosure 1.

AA.6.0. – Stop Loss, Reinsurance, or Risk-sharing Arrangements

MDCH does not provide any reinsurance provision.

AA.6.1 – Commercial Reinsurance

MDCH does not require the health plans to maintain a minimum specific stop-loss reinsurance policy.

AA.6.2 – Simple Stop Loss Program

MDCH does not provide for any of these provisions in the terms of their contract with the managed care organizations.

AA.6.3 – Risk Corridor Program

MDCH does not provide for any of these provisions in the terms of their contract with the managed care organizations.



Mr. Stephen Fitton
May 3, 2004
Page 11

AA.7.0 – Incentive Arrangements

MDCH has established a withhold amount of 0.25%. The capitation rates shown in this letter do not reflect the withhold provision. Withhold payments will be available to both private and public contractors, and will not be conditioned upon intergovernmental transfer agreements. Withhold payments will be reviewed on an annual basis, and will not be renewed automatically.



If you have any questions regarding the enclosed information, please do not hesitate to contact me at (317) 524-3512.

Sincerely,

Robert M. Damler, FSA, MAAA
Principal and Consulting Actuary

RMD/sdm
Enclosures



ENCLOSURE 1



**STATE OF MICHIGAN
DEPARTMENT OF COMMUNITY HEALTH
Actuarially Sound Capitation Rate Ranges**

Region: 1, 9, and 10

Capitation Rate: AFDC

Aid Category	FY 2005		FY 2006	
Males	High DoHCM	Low DoHCM	High DoHCM	Low DoHCM
<1	\$175.02	\$177.06	\$179.78	\$181.85
1 – 4	79.46	81.23	82.49	84.30
5 – 14	60.04	61.98	62.46	64.45
15 – 20	70.34	73.82	72.95	76.51
21 – 25	91.27	96.89	94.52	100.28
26 – 44	205.51	214.24	215.15	224.10
45 +	516.46	543.60	539.96	567.72

Females	High DoHCM	Low DoHCM	High DoHCM	Low DoHCM
< 1	\$162.48	\$164.02	\$166.70	\$168.28
1 – 4	65.70	66.78	68.15	69.26
5 – 14	51.99	53.50	54.06	55.61
15 – 20	99.88	104.87	103.60	108.73
21 – 25	153.09	162.04	158.78	167.99
26 – 44	196.95	206.49	205.46	215.27
45 +	375.98	392.96	395.18	412.61

Capitation Rate: Blind and Disabled – Non-Dual

FY 2005		FY 2006	
High DoHCM	Low DoHCM	High DoHCM	Low DoHCM
\$673.56	\$803.29	\$708.98	\$844.74

Capitation Rate: Aged – Non-Dual

	FY2005		FY 2006	
Adjustment Factor	High DoHCM	Low DoHCM	High DoHCM	Low DoHCM
.758	\$510.56	\$608.89	\$537.41	\$640.31

Capitation Rate: Maternity Delivery Rate

FY 2005		FY 2006	
High DoHCM	Low DoHCM	High DoHCM	Low DoHCM
\$3,600.76	\$3,600.76	\$3,676.88	\$3,676.88



Area Factor Relativities for the AFDC Population

Region	Area Factor
1	1.008
9	0.985
10	0.967

Premium Distribution Factors

Fiscal Year	Factor
FY 2005	0.9642
FY 2006	1.0342



**STATE OF MICHIGAN
DEPARTMENT OF COMMUNITY HEALTH
Actuarially Sound Capitation Rate Ranges**

Region: 2 through 8

Capitation Rate: AFDC

Aid Category	FY 2005		FY 2006	
Males	High DoHCM	Low DoHCM	High DoHCM	Low DoHCM
<1	\$207.78	\$213.20	\$213.49	\$219.05
1 – 4	74.61	78.44	77.49	81.44
5 – 14	58.09	60.84	60.80	63.65
15 – 20	68.90	73.68	71.77	76.68
21 – 25	96.40	104.18	100.27	108.27
26 – 44	209.91	223.55	219.61	233.67
45 +	455.06	483.50	476.51	505.84

Females	High DoHCM	Low DoHCM	High DoHCM	Low DoHCM
< 1	\$179.67	\$183.41	\$184.54	\$188.38
1 – 4	62.68	65.63	65.06	68.11
5 – 14	50.38	52.68	52.59	54.96
15 – 20	103.85	111.70	108.10	116.18
21 – 25	168.21	181.96	174.74	188.88
26 – 44	228.98	244.20	239.83	255.52
45 +	477.73	507.44	501.88	532.55

Capitation Rate: Blind and Disabled – Non-Dual

FY 2005		FY 2006	
High DoHCM	Low DoHCM	High DoHCM	Low DoHCM
\$580.20	\$668.22	\$614.09	\$707.13

Capitation Rate: Aged – Non-Dual

	FY 2005		FY 2006	
Adjustment Factor	High DoHCM	Low DoHCM	High DoHCM	Low DoHCM
.848	\$492.01	\$566.65	\$520.75	\$599.65

Capitation Rate: Maternity Delivery Rate

FY 2005		FY 2006	
High DoHCM	Low DoHCM	High DoHCM	Low DoHCM
\$3,639.70	\$3,639.70	\$3,719.82	\$3,719.82



Area Factor Relativities for the AFDC Population

Region	Area Factor
2	1.055
3	0.975
4	0.949
5	0.949
6	1.118
7	1.001
8	0.936

Premium Distribution Factors

Fiscal Year	Factor
FY 2005	0.9642
FY 2006	1.0342



ENCLOSURE 2



**STATE OF MICHIGAN
DEPARTMENT OF COMMUNITY HEALTH
Capitation Rates Effective October 1, 2004 through September 30, 2006**

Actuarial Certification

I, Robert M. Damler, am a Principal and Consulting Actuary with the firm of Milliman USA, Inc. I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. I was retained by the State of Michigan, Department of Community Health to perform an actuarial review and certification regarding the development of the capitation rates to be effective for state fiscal years 2005 and 2006. The capitation rates were developed for the TANF and Disabled populations from managed care encounter and fee-for-service experience incurred from July 1, 2001, through June 30, 2003. I have experience in the examination of financial calculations for Medicaid programs and meet the qualification standards for rendering this opinion.

I reviewed the historical claims experience for reasonableness and consistency. I have developed certain actuarial assumptions and actuarial methodologies regarding the projection of healthcare expenditures into future periods. I have complied with the elements of the rate setting checklist CMS developed for its Regional Offices regarding 42 CFR 438.6(c) for capitated Medicaid managed care plans.

The capitation rates provided with this certification are effective for two one-year rating periods beginning October 1, 2004, through September 30, 2006. The capitation rates are certified to be actuarially sound in aggregate over the two-year period.

The capitation rates provided with this certification are considered actuarially sound, under the following definition:

- the capitation rates have been developed in accordance with generally accepted actuarial principles and practices;
- the capitation rates are appropriate for the populations to be covered, and the services to be furnished under the contract; and,
- the capitation rates meet the requirements of 42 CFR 438.6(c).

This actuarial certification has been based on the actuarial methods, considerations, and analyses promulgated from time to time through the Actuarial Standards of Practice by the Actuarial Standards Board.


ELECTRONIC
SIGNATURE

Robert M. Damler, FSA
Member, American Academy of Actuaries

April 9, 2004
Date



ENCLOSURE 3

Michigan Department of Community Health
Health Plan Capitation Rate Development

Fiscal Year: 2005
Degree of Managed Care: Low

Region: 1,9, and 10

		FY2005									Admin/	
	December	Adjusted	Other MH	Non-Emer	Adolescent	Copay	Total	TPL	Area	Region Adjusted	Profit/	2005 Proposed
<u>Population</u>	2003 Enrollment	Claim Cost	RX Adj	Transport	Center	Adjustment	Claim Cost	Adjustment	Factor	Claim Cost	Surplus	Capitation Rate
TANF < 1 Male	6,909	\$147.89	\$0.02	\$1.00	\$0.00	\$0.00	\$148.91	0.975	1.000	\$145.19	\$31.87	\$177.06
TANF 1 - 4 Male	33,002	67.22	0.10	1.00	0.00	0.00	68.32	0.975	1.000	66.61	14.62	81.23
TANF 5 - 14 Male	72,262	47.11	1.56	1.00	2.46	0.00	52.12	0.975	1.000	50.82	11.16	61.98
TANF 15 - 20 Male	19,509	57.91	1.19	1.00	1.98	0.00	62.08	0.975	1.000	60.53	13.29	73.82
TANF 21 - 25 Male	820	78.48	1.62	1.00	0.00	0.39	81.49	0.975	1.000	79.45	17.44	96.89
TANF 26 - 44 Male	5,549	175.25	3.00	1.00	0.00	0.94	180.19	0.975	1.000	175.68	38.56	214.24
TANF 45 + Male	1,944	450.32	4.01	1.00	0.00	1.85	457.18	0.975	1.000	445.75	97.85	543.60
TANF < 1 Female	6,476	136.94	0.01	1.00	0.00	0.00	137.95	0.975	1.000	134.50	29.52	164.02
TANF 1 - 4 Female	32,400	55.09	0.07	1.00	0.00	0.00	56.16	0.975	1.000	54.76	12.02	66.78
TANF 5 - 14 Female	72,477	40.85	0.68	1.00	2.46	0.00	44.99	0.975	1.000	43.87	9.63	53.50
TANF 15 - 20 Female	23,778	84.29	0.92	1.00	1.98	0.00	88.19	0.975	1.000	85.99	18.88	104.87
TANF 21 - 25 Female	11,843	133.30	1.25	1.00	0.00	0.72	136.28	0.975	1.000	132.87	29.17	162.04
TANF 26 - 44 Female	35,676	168.09	3.53	1.00	0.00	1.03	173.66	0.975	1.000	169.32	37.17	206.49
TANF 45 + Female	4,947	322.02	5.30	1.00	0.00	2.17	330.49	0.975	1.000	322.23	70.73	392.96
Composite	327,593	\$80.87	\$1.24	\$1.00	\$1.35	\$0.20	\$84.65	0.975	1.000	\$82.54	\$18.12	\$100.66
Maternity Case Rate	425	\$3,360.71	\$0.00	\$0.00	\$0.00	\$0.00	\$3,360.71	0.975	1.000	\$3,276.69	\$324.07	\$3,600.76
Disabled	1,502,610	\$659.99	\$11.44	\$2.50	\$0.00	\$1.66	\$675.59	0.975	1	\$658.70	\$144.59	\$803.29

Michigan Department of Community Health
Health Plan Capitation Rate Development

Fiscal Year: 2005
Degree of Managed Care: High

Region: 1,9, and 10

	December	FY2005 Adjusted Claim Cost	Other MH RX Adj	Non-Emer Transport	Adolescent Center	Copay Adjustment	Total Claim Cost	TPL Adjustment	Area Factor	Region Adjusted Claim Cost	Admin/ Profit/ Surplus	2005 Proposed Capitation Rate
<u>Population</u>	2003 Enrollment											
TANF < 1 Male	6,909	\$146.18	\$0.02	\$1.00	\$0.00	\$0.00	\$147.20	0.975	1.000	\$143.52	\$31.50	\$175.02
TANF 1 - 4 Male	33,002	65.73	0.10	1.00	0.00	0.00	66.83	0.975	1.000	65.16	14.30	79.46
TANF 5 - 14 Male	72,262	45.47	1.56	1.00	2.46	0.00	50.49	0.975	1.000	49.23	10.81	60.04
TANF 15 - 20 Male	19,509	54.99	1.19	1.00	1.98	0.00	59.16	0.975	1.000	57.68	12.66	70.34
TANF 21 - 25 Male	820	73.75	1.62	1.00	0.00	0.39	76.76	0.975	1.000	74.84	16.43	91.27
TANF 26 - 44 Male	5,549	167.90	3.00	1.00	0.00	0.94	172.84	0.975	1.000	168.52	36.99	205.51
TANF 45 + Male	1,944	427.48	4.01	1.00	0.00	1.87	434.36	0.975	1.000	423.50	92.96	516.46
TANF < 1 Female	6,476	135.63	0.01	1.00	0.00	0.00	136.64	0.975	1.000	133.23	29.25	162.48
TANF 1 - 4 Female	32,400	54.18	0.07	1.00	0.00	0.00	55.25	0.975	1.000	53.87	11.83	65.70
TANF 5 - 14 Female	72,477	39.59	0.68	1.00	2.46	0.00	43.73	0.975	1.000	42.63	9.36	51.99
TANF 15 - 20 Female	23,778	80.10	0.92	1.00	1.98	0.00	84.00	0.975	1.000	81.90	17.98	99.88
TANF 21 - 25 Female	11,843	125.76	1.25	1.00	0.00	0.73	128.75	0.975	1.000	125.53	27.56	153.09
TANF 26 - 44 Female	35,676	160.06	3.53	1.00	0.00	1.04	165.64	0.975	1.000	161.50	35.45	196.95
TANF 45 + Female	4,947	307.72	5.30	1.00	0.00	2.18	316.21	0.975	1.000	308.30	67.68	375.98
Composite	327,593	\$77.81	\$1.24	\$1.00	\$1.35	\$0.20	\$81.60	0.975	1.000	\$79.56	\$17.47	\$97.03
Maternity Case Rate	425	\$3,360.71	\$0.00	\$0.00	\$0.00	\$0.00	\$3,360.71	0.975	1.000	\$3,276.69	\$324.07	\$3,600.76
Disabled	1,502,610	\$551.14	\$11.44	\$2.50	\$0.00	\$1.40	\$566.48	0.975	1	\$552.32	\$121.24	\$673.56

Michigan Department of Community Health
Health Plan Capitation Rate Development

Fiscal Year: 2006
Degree of Managed Care: Low

Region: 1,9, and 10

	December	FY2006 Adjusted Claim Cost	Other MH RX Adj	Non-Emer Transport	Adolescent Center	Copay Adjustment	Total Claim Cost	TPL Adjustment	Area Factor	Region Adjusted Claim Cost	Admin/ Profit/ Surplus	2006 Proposed Capitation Rate
<u>Population</u>	2003 Enrollment											
TANF < 1 Male	6,909	\$151.92	\$0.02	\$1.00	\$0.00	\$0.00	\$152.94	0.975	1.000	\$149.12	\$32.73	\$181.85
TANF 1 - 4 Male	33,002	69.79	0.11	1.00	0.00	0.00	70.90	0.975	1.000	69.13	15.17	84.30
TANF 5 - 14 Male	72,262	49.01	1.73	1.00	2.46	0.00	54.21	0.975	1.000	52.85	11.60	64.45
TANF 15 - 20 Male	19,509	60.05	1.32	1.00	1.98	0.00	64.35	0.975	1.000	62.74	13.77	76.51
TANF 21 - 25 Male	820	81.15	1.80	1.00	0.00	0.39	84.34	0.975	1.000	82.23	18.05	100.28
TANF 26 - 44 Male	5,549	183.20	3.34	1.00	0.00	0.94	188.47	0.975	1.000	183.76	40.34	224.10
TANF 45 + Male	1,944	470.16	4.46	1.00	0.00	1.85	477.47	0.975	1.000	465.53	102.19	567.72
TANF < 1 Female	6,476	140.51	0.01	1.00	0.00	0.00	141.53	0.975	1.000	137.99	30.29	168.28
TANF 1 - 4 Female	32,400	57.16	0.08	1.00	0.00	0.00	58.24	0.975	1.000	56.79	12.47	69.26
TANF 5 - 14 Female	72,477	42.55	0.76	1.00	2.46	0.00	46.76	0.975	1.000	45.60	10.01	55.61
TANF 15 - 20 Female	23,778	87.44	1.02	1.00	1.98	0.00	91.44	0.975	1.000	89.16	19.57	108.73
TANF 21 - 25 Female	11,843	138.16	1.40	1.00	0.00	0.72	141.28	0.975	1.000	137.75	30.24	167.99
TANF 26 - 44 Female	35,676	175.08	3.93	1.00	0.00	1.03	181.05	0.975	1.000	176.52	38.75	215.27
TANF 45 + Female	4,947	337.95	5.90	1.00	0.00	2.17	347.01	0.975	1.000	338.34	74.27	412.61
Composite	327,593	\$84.08	\$1.38	\$1.00	\$1.35	\$0.20	\$88.00	0.975	1.000	\$85.80	\$18.83	\$104.64
Maternity Case Rate	425	\$3,431.75	\$0.00	\$0.00	\$0.00	\$0.00	\$3,431.75	0.975	1.000	\$3,345.96	\$330.92	\$3,676.88
Disabled	1,502,610	\$693.67	\$12.63	\$2.50	\$0.00	\$1.66	\$710.45	0.975	1	\$692.69	\$152.05	\$844.74

Michigan Department of Community Health
Health Plan Capitation Rate Development

Fiscal Year: 2006
Degree of Managed Care: High

Region: 1,9, and 10

	December	FY2006 Adjusted Claim Cost	Other MH RX Adj	Non-Emer Transport	Adolescent Center	Copay Adjustment	Total Claim Cost	TPL Adjustment	Area Factor	Region Adjusted Claim Cost	Admin/ Profit/ Surplus	2006 Proposed Capitation Rate
<u>Population</u>	2003 Enrollment											
TANF < 1 Male	6,909	\$150.17	\$0.02	\$1.00	\$0.00	\$0.00	\$151.19	0.975	1.000	\$147.42	\$32.36	\$179.78
TANF 1 - 4 Male	33,002	68.26	0.11	1.00	0.00	0.00	69.37	0.975	1.000	67.64	14.85	82.49
TANF 5 - 14 Male	72,262	47.34	1.73	1.00	2.46	0.00	52.53	0.975	1.000	51.22	11.24	62.46
TANF 15 - 20 Male	19,509	57.05	1.32	1.00	1.98	0.00	61.35	0.975	1.000	59.82	13.13	72.95
TANF 21 - 25 Male	820	76.30	1.80	1.00	0.00	0.39	79.49	0.975	1.000	77.51	17.01	94.52
TANF 26 - 44 Male	5,549	175.67	3.34	1.00	0.00	0.94	180.94	0.975	1.000	176.42	38.73	215.15
TANF 45 + Male	1,944	446.79	4.46	1.00	0.00	1.87	454.12	0.975	1.000	442.77	97.19	539.96
TANF < 1 Female	6,476	139.18	0.01	1.00	0.00	0.00	140.19	0.975	1.000	136.69	30.01	166.70
TANF 1 - 4 Female	32,400	56.23	0.08	1.00	0.00	0.00	57.31	0.975	1.000	55.88	12.27	68.15
TANF 5 - 14 Female	72,477	41.25	0.76	1.00	2.46	0.00	45.47	0.975	1.000	44.33	9.73	54.06
TANF 15 - 20 Female	23,778	83.13	1.02	1.00	1.98	0.00	87.13	0.975	1.000	84.95	18.65	103.60
TANF 21 - 25 Female	11,843	130.41	1.40	1.00	0.00	0.73	133.53	0.975	1.000	130.20	28.58	158.78
TANF 26 - 44 Female	35,676	166.83	3.93	1.00	0.00	1.04	172.80	0.975	1.000	168.48	36.98	205.46
TANF 45 + Female	4,947	323.27	5.90	1.00	0.00	2.18	332.35	0.975	1.000	324.05	71.13	395.18
Composite	327,593	\$80.94	\$1.38	\$1.00	\$1.35	\$0.20	\$84.87	0.975	1.000	\$82.75	\$18.16	\$100.91
Maternity Case Rate	425	\$3,431.75	\$0.00	\$0.00	\$0.00	\$0.00	\$3,431.75	0.975	1.000	\$3,345.96	\$330.92	\$3,676.88
Disabled	1,502,610	\$579.74	\$12.63	\$2.50	\$0.00	\$1.40	\$596.26	0.975	1	\$581.36	\$127.62	\$708.98

Michigan Department of Community Health
Health Plan Capitation Rate Development

Fiscal Year: 2005
Degree of Managed Care: Low

Region: 2-8

		FY2005									Admin/	
Population	December	Adjusted	Other MH	Non-Emer	Adolescent	Copay	Total	TPL	Area	Region Adjusted	Profit/	2005 Proposed
	<u>2003 Enrollment</u>	<u>Claim Cost</u>	<u>RX Adj</u>	<u>Transport</u>	<u>Center</u>	<u>Adjustment</u>	<u>Claim Cost</u>	<u>Adjustment</u>	<u>Factor</u>	<u>Claim Cost</u>	<u>Surplus</u>	<u>Capitation Rate</u>
TANF < 1 Male	8,842	\$178.29	\$0.01	\$1.00	\$0.00	\$0.00	\$179.30	0.975	1.000	\$174.82	\$38.38	\$213.20
TANF 1 - 4 Male	41,500	64.87	0.10	1.00	0.00	0.00	65.97	0.975	1.000	64.32	14.12	78.44
TANF 5 - 14 Male	77,732	44.21	3.50	1.00	2.46	0.00	51.17	0.975	1.000	49.89	10.95	60.84
TANF 15 - 20 Male	22,596	56.24	2.75	1.00	1.98	0.00	61.97	0.975	1.000	60.42	13.26	73.68
TANF 21 - 25 Male	2,445	84.21	2.01	1.00	0.00	0.41	87.63	0.975	1.000	85.43	18.75	104.18
TANF 26 - 44 Male	10,566	181.43	4.75	1.00	0.00	0.83	188.01	0.975	1.000	183.31	40.24	223.55
TANF 45 + Male	1,990	396.13	7.78	1.00	0.00	1.73	406.64	0.975	1.000	396.47	87.03	483.50
TANF < 1 Female	8,599	153.25	0.01	1.00	0.00	0.00	154.26	0.975	1.000	150.40	33.01	183.41
TANF 1 - 4 Female	39,776	54.15	0.05	1.00	0.00	0.00	55.20	0.975	1.000	53.82	11.81	65.63
TANF 5 - 14 Female	76,528	39.40	1.45	1.00	2.46	0.00	44.31	0.975	1.000	43.20	9.48	52.68
TANF 15 - 20 Female	27,677	88.51	2.45	1.00	1.98	0.00	93.94	0.975	1.000	91.59	20.11	111.70
TANF 21 - 25 Female	16,533	148.01	3.23	1.00	0.00	0.79	153.03	0.975	1.000	149.21	32.75	181.96
TANF 26 - 44 Female	38,155	195.71	7.53	1.00	0.00	1.13	205.37	0.975	1.000	200.24	43.96	244.20
TANF 45 + Female	3,965	412.38	11.13	1.00	0.00	2.27	426.77	0.975	1.000	416.10	91.34	507.44
Composite	376,903	\$85.89	\$2.59	\$1.00	\$1.27	\$0.21	\$90.96	0.975	1.000	\$88.68	\$19.47	\$108.15
Maternity Case Rate	3,487	\$3,397.06	\$0.00	\$0.00	\$0.00	\$0.00	\$3,397.06	0.975	1.000	\$3,312.13	\$327.57	\$3,639.70
Disabled	1,462,884	\$539.24	\$18.55	\$2.50	\$0.00	\$1.70	\$561.99	0.975	1	\$547.94	\$120.28	\$668.22

Michigan Department of Community Health
Health Plan Capitation Rate Development

Fiscal Year: 2005
Degree of Managed Care: High

Region: 2-8

	December	FY2005 Adjusted	Other MH	Non-Emer	Adolescent	Copay	Total	TPL	Area	Region Adjusted	Admin/ Profit/ Surplus	2005 Proposed
<u>Population</u>	<u>2003 Enrollment</u>	<u>Claim Cost</u>	<u>RX Adj</u>	<u>Transport</u>	<u>Center</u>	<u>Adjustment</u>	<u>Claim Cost</u>	<u>Adjustment</u>	<u>Factor</u>	<u>Claim Cost</u>		<u>Capitation Rate</u>
TANF < 1 Male	8,842	\$173.73	\$0.01	\$1.00	\$0.00	\$0.00	\$174.75	0.975	1.000	\$170.38	\$37.40	\$207.78
TANF 1 - 4 Male	41,500	61.65	0.10	1.00	0.00	0.00	62.75	0.975	1.000	61.18	13.43	74.61
TANF 5 - 14 Male	77,732	41.89	3.50	1.00	2.46	0.00	48.85	0.975	1.000	47.63	10.46	58.09
TANF 15 - 20 Male	22,596	52.22	2.75	1.00	1.98	0.00	57.95	0.975	1.000	56.50	12.40	68.90
TANF 21 - 25 Male	2,445	77.65	2.01	1.00	0.00	0.42	81.08	0.975	1.000	79.05	17.35	96.40
TANF 26 - 44 Male	10,566	169.93	4.75	1.00	0.00	0.86	176.54	0.975	1.000	172.13	37.78	209.91
TANF 45 + Male	1,990	372.14	7.78	1.00	0.00	1.80	382.72	0.975	1.000	373.15	81.91	455.06
TANF < 1 Female	8,599	150.10	0.01	1.00	0.00	0.00	151.11	0.975	1.000	147.33	32.34	179.67
TANF 1 - 4 Female	39,776	51.67	0.05	1.00	0.00	0.00	52.72	0.975	1.000	51.40	11.28	62.68
TANF 5 - 14 Female	76,528	37.46	1.45	1.00	2.46	0.00	42.37	0.975	1.000	41.31	9.07	50.38
TANF 15 - 20 Female	27,677	81.91	2.45	1.00	1.98	0.00	87.34	0.975	1.000	85.16	18.69	103.85
TANF 21 - 25 Female	16,533	136.42	3.23	1.00	0.00	0.82	141.47	0.975	1.000	137.93	30.28	168.21
TANF 26 - 44 Female	38,155	182.87	7.53	1.00	0.00	1.17	192.58	0.975	1.000	187.76	41.22	228.98
TANF 45 + Female	3,965	387.31	11.13	1.00	0.00	2.34	401.78	0.975	1.000	391.74	85.99	477.73
Composite	376,903	\$80.94	\$2.59	\$1.00	\$1.27	\$0.22	\$86.01	0.975	1.000	\$83.86	\$18.41	\$102.27
Maternity Case Rate	3,487	\$3,397.06	\$0.00	\$0.00	\$0.00	\$0.00	\$3,397.06	0.975	1.000	\$3,312.13	\$327.57	\$3,639.70
Disabled	1,462,884	\$465.48	\$18.55	\$2.50	\$0.00	\$1.43	\$487.96	0.975	1	\$475.76	\$104.44	\$580.20

Michigan Department of Community Health
Health Plan Capitation Rate Development

Fiscal Year: 2006
Degree of Managed Care: Low

Region: 2-8

	December	FY2006 Adjusted	Other MH	Non-Emer	Adolescent	Copay	Total	TPL	Area	Region Adjusted	Admin/ Profit/ Surplus	2006 Proposed
<u>Population</u>	<u>2003 Enrollment</u>	<u>Claim Cost</u>	<u>RX Adj</u>	<u>Transport</u>	<u>Center</u>	<u>Adjustment</u>	<u>Claim Cost</u>	<u>Adjustment</u>	<u>Factor</u>	<u>Claim Cost</u>		<u>Capitation Rate</u>
TANF < 1 Male	8,842	\$183.21	\$0.01	\$1.00	\$0.00	\$0.00	\$184.23	0.975	1.000	\$179.62	\$39.43	\$219.05
TANF 1 - 4 Male	41,500	67.38	0.11	1.00	0.00	0.00	68.49	0.975	1.000	66.78	14.66	81.44
TANF 5 - 14 Male	77,732	46.18	3.89	1.00	2.46	0.00	53.53	0.975	1.000	52.19	11.46	63.65
TANF 15 - 20 Male	22,596	58.45	3.06	1.00	1.98	0.00	64.49	0.975	1.000	62.88	13.80	76.68
TANF 21 - 25 Male	2,445	87.42	2.23	1.00	0.00	0.41	91.06	0.975	1.000	88.78	19.49	108.27
TANF 26 - 44 Male	10,566	189.40	5.29	1.00	0.00	0.83	196.53	0.975	1.000	191.61	42.06	233.67
TANF 45 + Male	1,990	414.04	8.66	1.00	0.00	1.73	425.42	0.975	1.000	414.79	91.05	505.84
TANF < 1 Female	8,599	157.42	0.01	1.00	0.00	0.00	158.43	0.975	1.000	154.47	33.91	188.38
TANF 1 - 4 Female	39,776	56.23	0.06	1.00	0.00	0.00	57.28	0.975	1.000	55.85	12.26	68.11
TANF 5 - 14 Female	76,528	41.16	1.61	1.00	2.46	0.00	46.23	0.975	1.000	45.07	9.89	54.96
TANF 15 - 20 Female	27,677	92.01	2.72	1.00	1.98	0.00	97.71	0.975	1.000	95.27	20.91	116.18
TANF 21 - 25 Female	16,533	153.47	3.60	1.00	0.00	0.79	158.85	0.975	1.000	154.88	34.00	188.88
TANF 26 - 44 Female	38,155	204.38	8.38	1.00	0.00	1.13	214.90	0.975	1.000	209.53	45.99	255.52
TANF 45 + Female	3,965	432.23	12.38	1.00	0.00	2.27	447.88	0.975	1.000	436.69	95.86	532.55
Composite	376,903	\$89.41	\$2.88	\$1.00	\$1.27	\$0.21	\$94.77	0.975	1.000	\$92.40	\$20.28	\$112.69
Maternity Case Rate	3,487	\$3,471.83	\$0.00	\$0.00	\$0.00	\$0.00	\$3,471.83	0.975	1.000	\$3,385.04	\$334.78	\$3,719.82
Disabled	1,462,884	\$570.04	\$20.48	\$2.50	\$0.00	\$1.70	\$594.71	0.975	1	\$579.85	\$127.28	\$707.13

Michigan Department of Community Health
Health Plan Capitation Rate Development

Fiscal Year: 2006
Degree of Managed Care: High

Region: 2-8

Population	December 2003 Enrollment	FY2006 Adjusted Claim Cost	Other MH RX Adj	Non-Emer Transport	Adolescent Center	Copay Adjustment	Total Claim Cost	TPL Adjustment	Area Factor	Region Adjusted Claim Cost	Admin/ Profit/ Surplus	2006 Proposed Capitation Rate
TANF < 1 Male	8,842	\$178.53	\$0.01	\$1.00	\$0.00	\$0.00	\$179.55	0.975	1.000	\$175.06	\$38.43	\$213.49
TANF 1 - 4 Male	41,500	64.06	0.11	1.00	0.00	0.00	65.17	0.975	1.000	63.54	13.95	77.49
TANF 5 - 14 Male	77,732	43.78	3.89	1.00	2.46	0.00	51.14	0.975	1.000	49.86	10.94	60.80
TANF 15 - 20 Male	22,596	54.32	3.06	1.00	1.98	0.00	60.36	0.975	1.000	58.85	12.92	71.77
TANF 21 - 25 Male	2,445	80.67	2.23	1.00	0.00	0.42	84.33	0.975	1.000	82.22	18.05	100.27
TANF 26 - 44 Male	10,566	177.55	5.29	1.00	0.00	0.86	184.70	0.975	1.000	180.08	39.53	219.61
TANF 45 + Male	1,990	389.30	8.66	1.00	0.00	1.80	400.76	0.975	1.000	390.74	85.77	476.51
TANF < 1 Female	8,599	154.19	0.01	1.00	0.00	0.00	155.20	0.975	1.000	151.32	33.22	184.54
TANF 1 - 4 Female	39,776	53.67	0.06	1.00	0.00	0.00	54.72	0.975	1.000	53.35	11.71	65.06
TANF 5 - 14 Female	76,528	39.15	1.61	1.00	2.46	0.00	44.23	0.975	1.000	43.12	9.47	52.59
TANF 15 - 20 Female	27,677	85.21	2.72	1.00	1.98	0.00	90.92	0.975	1.000	88.64	19.46	108.10
TANF 21 - 25 Female	16,533	141.55	3.60	1.00	0.00	0.82	146.97	0.975	1.000	143.29	31.45	174.74
TANF 26 - 44 Female	38,155	191.15	8.38	1.00	0.00	1.17	201.71	0.975	1.000	196.66	43.17	239.83
TANF 45 + Female	3,965	406.37	12.38	1.00	0.00	2.34	422.10	0.975	1.000	411.54	90.34	501.88
Composite	376,903	\$84.31	\$2.88	\$1.00	\$1.27	\$0.22	\$89.67	0.975	1.000	\$87.43	\$19.19	\$106.62
Maternity Case Rate	3,487	\$3,471.83	\$0.00	\$0.00	\$0.00	\$0.00	\$3,471.83	0.975	1.000	\$3,385.04	\$334.78	\$3,719.82
Disabled	1,462,884	\$492.06	\$20.48	\$2.50	\$0.00	\$1.43	\$516.46	0.975	1	\$503.55	\$110.54	\$614.09



ENCLOSURE 4

	Current Rates Costs												
ProvNameGeneral	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9	Region 10	Total	1, 9 & 10	2 - 8
Botsford	\$1,992,191									\$151,161	\$2,143,352	\$2,143,352	\$0
Cape	\$8,880,276	\$458,716							\$447,087	\$1,520,559	\$11,306,638	\$10,847,922	\$458,716
Community Choice		\$320,167	\$3,634,979	\$2,232,323		\$394,431	\$2,378,613				\$8,960,513	\$0	\$8,960,513
Great Lakes	\$5,288,283	\$1,308,274	\$775,702			\$129,900	\$2,348,530		\$3,868,950	\$2,847,643	\$16,567,283	\$12,004,876	\$4,562,407
HealthPlan		\$3,652,695	\$3,040,740	\$1,522,460	\$232,641	\$190,419	\$153,851		\$724,629	\$577,183	\$10,094,619	\$1,301,813	\$8,792,806
HealthPlus						\$6,093,595	\$1,287,638			\$29,396	\$7,410,628	\$29,396	\$7,381,233
M-Care	\$474,935	\$1,765,082									\$2,240,016	\$474,935	\$1,765,082
McLaren					\$1,976,562	\$2,097,815	\$860,693				\$4,935,070	\$0	\$4,935,070
Midwest	\$6,993,632	\$251,830							\$957,620	\$361,839	\$8,564,921	\$8,313,091	\$251,830
Molina	\$1,445,853			\$7,048,310		\$76,618	\$2,884,979		\$359,404	\$473,780	\$12,288,943	\$2,279,037	\$10,009,907
Omni	\$11,779,540										\$11,779,540	\$11,779,540	\$0
PHP MID					\$2,817,860						\$2,817,860	\$0	\$2,817,860
PHP SW			\$4,538,588								\$4,538,588	\$0	\$4,538,588
Priority				\$4,017,177							\$4,017,177	\$0	\$4,017,177
Wellness	\$11,741,616			\$1,708,583		\$2,209,814			\$724,594	\$1,297,144	\$17,681,751	\$13,763,354	\$3,918,397
Total Health	\$6,382,414					\$620,842			\$1,025,791	\$694,013	\$8,723,060	\$8,102,218	\$620,842
UP								\$3,956,293			\$3,956,293	\$0	\$3,956,293
	\$54,978,738	\$7,756,765	\$11,990,009	\$16,528,854	\$5,027,063	\$11,813,435	\$9,914,304	\$3,956,293	\$8,108,075	\$7,952,719	\$138,026,254	\$71,039,532	\$66,986,722

	Projected Costs												
ProvNameGeneral	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9	Region 10	Total	1, 9 & 10	2 - 8
Botsford	\$1,868,619									\$166,879	\$2,035,499	\$2,035,499	\$0
Cape	\$8,973,396	\$542,056							\$504,191	\$1,736,179	\$11,755,822	\$11,213,766	\$542,056
Community Choice		\$372,607	\$4,018,505	\$2,458,755		\$391,164	\$2,625,695				\$9,866,725	\$0	\$9,866,725
Great Lakes	\$6,046,770	\$1,386,452	\$898,854			\$153,387	\$2,687,338		\$4,486,463	\$2,977,378	\$18,636,642	\$13,510,611	\$5,126,031
HealthPlan		\$4,359,355	\$3,535,809	\$1,615,461	\$256,135	\$230,837	\$166,748		\$809,692	\$592,376	\$11,566,413	\$1,402,068	\$10,164,345
HealthPlus						\$7,142,640	\$1,295,953			\$33,787	\$8,472,380	\$33,787	\$8,438,593
M-Care	\$467,274	\$1,998,575									\$2,465,849	\$467,274	\$1,998,575
McLaren					\$1,894,638	\$2,181,744	\$872,515				\$4,948,897	\$0	\$4,948,897
Midwest	\$7,170,556	\$297,011							\$1,109,097	\$405,687	\$8,982,351	\$8,685,340	\$297,011
Molina	\$1,450,039			\$7,644,943		\$87,534	\$3,456,382		\$364,327	\$553,707	\$13,556,931	\$2,368,073	\$11,188,859
Omni	\$12,993,409										\$12,993,409	\$12,993,409	\$0
PHP MID					\$2,737,561						\$2,737,561	\$0	\$2,737,561
PHP SW			\$4,776,000								\$4,776,000	\$0	\$4,776,000
Priority				\$4,346,701							\$4,346,701	\$0	\$4,346,701
Wellness	\$11,522,503			\$1,918,456		\$2,324,756			\$859,499	\$1,370,526	\$17,995,741	\$13,752,529	\$4,243,212
Total Health	\$6,520,351					\$685,207			\$1,179,057	\$813,277	\$9,197,892	\$8,512,685	\$685,207
UP								\$4,026,768			\$4,026,768	\$0	\$4,026,768
	\$57,012,918	\$8,956,056	\$13,229,168	\$17,984,315	\$4,888,334	\$13,197,269	\$11,104,631	\$4,026,768	\$9,312,326	\$8,649,796	\$148,361,581	\$74,975,040	\$73,386,541

ProvNameGeneral	Projected Differences										Total	1, 9 & 10	2 - 8
	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9	Region 10			
Botsford	(\$123,571)									\$15,718	(\$107,853)	-\$107,853	\$0
Cape	\$93,121	\$83,340							\$57,104	\$215,620	\$449,184	\$365,844	\$83,340
Community Choice		\$52,440	\$383,526	\$226,432		(\$3,267)	\$247,082				\$906,212	\$0	\$906,212
Great Lakes	\$758,486	\$78,177	\$123,151			\$23,487	\$338,808		\$617,513	\$129,736	\$2,069,359	\$1,505,735	\$563,624
HealthPlan		\$706,660	\$495,070	\$93,000	\$23,494	\$40,418	\$12,897		\$85,063	\$15,193	\$1,471,794	\$100,256	\$1,371,538
HealthPlus						\$1,049,045	\$8,315			\$4,392	\$1,061,752	\$4,392	\$1,057,360
M-Care	(\$7,661)	\$233,494									\$225,833	-\$7,661	\$233,494
McLaren					(\$81,925)	\$83,929	\$11,823				\$13,827	\$0	\$13,827
Midwest	\$176,925	\$45,181							\$151,477	\$43,847	\$417,430	\$372,249	\$45,181
Molina	\$4,186			\$596,632		\$10,916	\$571,403		\$4,923	\$79,927	\$1,267,988	\$89,036	\$1,178,952
Omni	\$1,213,869										\$1,213,869	\$1,213,869	\$0
PHP MID					(\$80,299)						(\$80,299)	\$0	-\$80,299
PHP SW			\$237,412								\$237,412	\$0	\$237,412
Priority				\$329,524							\$329,524	\$0	\$329,524
Wellness	(\$219,113)			\$209,873		\$114,942			\$134,905	\$73,382	\$313,990	-\$10,825	\$324,815
Total Health	\$137,937					\$64,365			\$153,266	\$119,263	\$474,832	\$410,467	\$64,365
UP								\$70,474			\$70,474	\$0	\$70,474
	\$2,034,179	\$1,199,291	\$1,239,159	\$1,455,461	(\$138,729)	\$1,383,835	\$1,190,327	\$70,474	\$1,204,251	\$697,078	\$10,335,327	\$3,935,508	\$6,399,819

ProvNameGeneral	Percentage Change										Total	1, 9 & 10	2 - 8
	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9	Region 10			
Botsford	-6.2%									10.4%	-5.0%	-5.0%	
Cape	1.0%	18.2%							12.8%	14.2%	4.0%	3.4%	18.2%
Community Choice		16.4%	10.6%	10.1%		-0.8%	10.4%				10.1%		10.1%
Great Lakes	14.3%	6.0%	15.9%			18.1%	14.4%		16.0%	4.6%	12.5%	12.5%	12.4%
HealthPlan		19.3%	16.3%	6.1%	10.1%	21.2%	8.4%		11.7%	2.6%	14.6%	7.7%	15.6%
HealthPlus						17.2%	0.6%			14.9%	14.3%	14.9%	14.3%
M-Care	-1.6%	13.2%									10.1%	-1.6%	13.2%
McLaren					-4.1%	4.0%	1.4%				0.3%		0.3%
Midwest	2.5%	17.9%							15.8%	12.1%	4.9%	4.5%	17.9%
Molina	0.3%			8.5%		14.2%	19.8%		1.4%	16.9%	10.3%	3.9%	11.8%
Omni	10.3%										10.3%	10.3%	
PHP MID					-2.8%						-2.8%		-2.8%
PHP SW			5.2%								5.2%		5.2%
Priority				8.2%							8.2%		8.2%
Wellness	-1.9%			12.3%		5.2%			18.6%	5.7%	1.8%	-0.1%	8.3%
Total Health	2.2%					10.4%			14.9%	17.2%	5.4%	5.1%	10.4%
UP								1.8%			1.8%		1.8%
	3.7%	15.5%	10.3%	8.8%	-2.8%	11.7%	12.0%	1.8%	14.9%	8.8%	7.5%	5.5%	9.6%

	Current Rates Costs												
ProvNameGeneral	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9	Region 10	Total	1, 9 & 10	2 - 8
Botsford	\$1,992,191									\$151,161	\$2,143,352	\$2,143,352	\$0
Cape	\$8,880,276	\$458,716							\$447,087	\$1,520,559	\$11,306,638	\$10,847,922	\$458,716
Community Choice		\$320,167	\$3,634,979	\$2,232,323		\$394,431	\$2,378,613				\$8,960,513	\$0	\$8,960,513
Great Lakes	\$5,288,283	\$1,308,274	\$775,702			\$129,900	\$2,348,530		\$3,868,950	\$2,847,643	\$16,567,283	\$12,004,876	\$4,562,407
HealthPlan		\$3,652,695	\$3,040,740	\$1,522,460	\$232,641	\$190,419	\$153,851		\$724,629	\$577,183	\$10,094,619	\$1,301,813	\$8,792,806
HealthPlus						\$6,093,595	\$1,287,638			\$29,396	\$7,410,628	\$29,396	\$7,381,233
M-Care	\$474,935	\$1,765,082									\$2,240,016	\$474,935	\$1,765,082
McLaren					\$1,976,562	\$2,097,815	\$860,693				\$4,935,070	\$0	\$4,935,070
Midwest	\$6,993,632	\$251,830							\$957,620	\$361,839	\$8,564,921	\$8,313,091	\$251,830
Molina	\$1,445,853			\$7,048,310		\$76,618	\$2,884,979		\$359,404	\$473,780	\$12,288,943	\$2,279,037	\$10,009,907
Omni	\$11,779,540										\$11,779,540	\$11,779,540	\$0
PHP MID					\$2,817,860						\$2,817,860	\$0	\$2,817,860
PHP SW			\$4,538,588								\$4,538,588	\$0	\$4,538,588
Priority				\$4,017,177							\$4,017,177	\$0	\$4,017,177
Wellness	\$11,741,616			\$1,708,583		\$2,209,814			\$724,594	\$1,297,144	\$17,681,751	\$13,763,354	\$3,918,397
Total Health	\$6,382,414					\$620,842			\$1,025,791	\$694,013	\$8,723,060	\$8,102,218	\$620,842
UP								\$3,956,293			\$3,956,293	\$0	\$3,956,293
	\$54,978,738	\$7,756,765	\$11,990,009	\$16,528,854	\$5,027,063	\$11,813,435	\$9,914,304	\$3,956,293	\$8,108,075	\$7,952,719	\$138,026,254	\$71,039,532	\$66,986,722

	Projected Costs												
ProvNameGeneral	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9	Region 10	Total	1, 9 & 10	2 - 8
Botsford	\$2,095,562									\$187,076	\$2,282,638	\$2,282,638	\$0
Cape	\$10,073,794	\$610,674							\$565,014	\$1,949,153	\$13,198,636	\$12,587,962	\$610,674
Community Choice		\$419,670	\$4,528,054	\$2,768,694		\$440,259	\$2,959,044				\$11,115,721	\$0	\$11,115,721
Great Lakes	\$6,796,333	\$1,558,791	\$1,012,769			\$172,586	\$3,027,622		\$5,033,076	\$3,342,857	\$20,944,034	\$15,172,266	\$5,771,768
HealthPlan		\$4,908,079	\$3,982,398	\$1,816,217	\$288,027	\$259,528	\$187,591		\$907,795	\$664,291	\$13,013,926	\$1,572,086	\$11,441,839
HealthPlus						\$8,040,229	\$1,446,991			\$37,943	\$9,525,163	\$37,943	\$9,487,221
M-Care	\$524,041	\$2,249,109									\$2,773,149	\$524,041	\$2,249,109
McLaren					\$2,133,424	\$2,453,495	\$983,590				\$5,570,509	\$0	\$5,570,509
Midwest	\$8,049,363	\$334,579							\$1,244,064	\$454,799	\$10,082,805	\$9,748,226	\$334,579
Molina	\$1,628,572			\$8,611,625		\$98,269	\$3,896,876		\$408,513	\$622,517	\$15,266,373	\$2,659,603	\$12,606,770
Omni	\$14,600,610										\$14,600,610	\$14,600,610	\$0
PHP MID					\$3,082,027						\$3,082,027	\$0	\$3,082,027
PHP SW			\$5,373,960								\$5,373,960	\$0	\$5,373,960
Priority				\$4,890,902							\$4,890,902	\$0	\$4,890,902
Wellness	\$12,934,136			\$2,161,292		\$2,617,781			\$965,047	\$1,538,020	\$20,216,276	\$15,437,203	\$4,779,073
Total Health	\$7,324,214					\$772,289			\$1,323,448	\$913,371	\$10,333,322	\$9,561,033	\$772,289
UP								\$4,532,665			\$4,532,665	\$0	\$4,532,665
	\$64,026,625	\$10,080,903	\$14,897,180	\$20,248,729	\$5,503,478	\$14,854,436	\$12,501,715	\$4,532,665	\$10,446,958	\$9,710,026	\$166,802,715	\$84,183,609	\$82,619,106

	Projected Differences												
ProvNameGeneral	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9	Region 10	Total	1, 9 & 10	2 - 8
Botsford	\$103,372									\$35,915	\$139,286	\$139,286	\$0
Cape	\$1,193,518	\$151,958							\$117,927	\$428,595	\$1,891,998	\$1,740,040	\$151,958
Community Choice		\$99,503	\$893,076	\$536,371		\$45,828	\$580,431				\$2,155,208	\$0	\$2,155,208
Great Lakes	\$1,508,050	\$250,517	\$237,066			\$42,686	\$679,092		\$1,164,126	\$495,214	\$4,376,750	\$3,167,390	\$1,209,360
HealthPlan		\$1,255,384	\$941,658	\$293,756	\$55,386	\$69,108	\$33,740		\$183,166	\$87,108	\$2,919,306	\$270,274	\$2,649,033
HealthPlus						\$1,946,634	\$159,354			\$8,547	\$2,114,535	\$8,547	\$2,105,988
M-Care	\$49,106	\$484,027									\$533,133	\$49,106	\$484,027
McLaren					\$156,861	\$355,680	\$122,897				\$635,439	\$0	\$635,439
Midwest	\$1,055,731	\$82,749							\$286,444	\$92,960	\$1,517,884	\$1,435,135	\$82,749
Molina	\$182,720			\$1,563,315		\$21,651	\$1,011,898		\$49,109	\$148,737	\$2,977,429	\$380,566	\$2,596,863
Omni	\$2,821,070										\$2,821,070	\$2,821,070	\$0
PHP MID					\$264,167						\$264,167	\$0	\$264,167
PHP SW			\$835,372								\$835,372	\$0	\$835,372
Priority				\$873,725							\$873,725	\$0	\$873,725
Wellness	\$1,192,520			\$452,709		\$407,967			\$240,453	\$240,875	\$2,534,525	\$1,673,849	\$860,676
Total Health	\$941,800					\$151,447			\$297,658	\$219,357	\$1,610,262	\$1,458,815	\$151,447
UP								\$576,372			\$576,372	\$0	\$576,372
	\$9,047,887	\$2,324,138	\$2,907,172	\$3,719,876	\$476,414	\$3,041,001	\$2,587,411	\$576,372	\$2,338,883	\$1,757,307	\$28,776,461	\$13,144,077	\$15,632,384

	Percentage Change												
ProvNameGeneral	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9	Region 10	Total	1, 9 & 10	2 - 8
Botsford	5.2%									23.8%	6.5%	6.5%	
Cape	13.4%	33.1%							26.4%	28.2%	16.7%	16.0%	33.1%
Community Choice		31.1%	24.6%	24.0%		11.6%	24.4%				24.1%		24.1%
Great Lakes	28.5%	19.1%	30.6%			32.9%	28.9%		30.1%	17.4%	26.4%	26.4%	26.5%
HealthPlan		34.4%	31.0%	19.3%	23.8%	36.3%	21.9%		25.3%	15.1%	28.9%	20.8%	30.1%
HealthPlus						31.9%	12.4%			29.1%	28.5%	29.1%	28.5%
M-Care	10.3%	27.4%									23.8%	10.3%	27.4%
McLaren					7.9%	17.0%	14.3%				12.9%		12.9%
Midwest	15.1%	32.9%							29.9%	25.7%	17.7%	17.3%	32.9%
Molina	12.6%			22.2%		28.3%	35.1%		13.7%	31.4%	24.2%	16.7%	25.9%
Omni	23.9%										23.9%	23.9%	
PHP MID					9.4%						9.4%		9.4%
PHP SW			18.4%								18.4%		18.4%
Priority				21.7%							21.7%		21.7%
Wellness	10.2%			26.5%		18.5%			33.2%	18.6%	14.3%	12.2%	22.0%
Total Health	14.8%					24.4%			29.0%	31.6%	18.5%	18.0%	24.4%
UP								14.6%			14.6%		14.6%
	16.5%	30.0%	24.2%	22.5%	9.5%	25.7%	26.1%	14.6%	28.8%	22.1%	20.8%	18.5%	23.3%



ENCLOSURE 5

Michigan Department of Community Health
Cost Model Projections: 2005 Fiscal Year
Regions 1, 9, and 10

4/9/2004
2:38 PM

Population : Blind & Disabled NonDual
Low Managed Care

33 Months of Trend

<u>Type of Service</u>	<u>Base Util Rate Per 1,000</u>	<u>Managed Care Adjustment</u>	<u>Adjusted Util Rate Per 1,000</u>	<u>Adjusted Cost Per Service</u>	<u>Adjusted PMPM</u>	<u>Trend</u>	<u>Trended PMPM</u>
<i>Inpatient Hospital</i>							
Medical/Surgical/Non-Delivery Maternity	2,092.4	60%	1,255.4	\$1,364.58	\$142.76	2.7%	\$153.62
Maternity Delivery	-	100%	-	0.00	0.00	2.7%	0.00
Well Newborn	9.2	100%	9.2	247.60	0.19	2.7%	0.20
Skilled Nursing Facility	-	100%	-	0.00	0.00	2.7%	0.00
Ungroupable Inpatient	-	100%	-	0.00	0.00	2.7%	0.00
Subtotal	2,101.6		1,264.6		\$142.95		\$153.83
<i>Outpatient Hospital</i>							
Emergency Room	1,345.1	60%	807.0	\$93.24	\$6.27	5.9%	\$7.35
Surgery	279.4	95%	265.4	388.58	8.59	5.9%	10.07
Other Outpatient	10,175.6	85%	8,649.3	218.66	157.60	5.9%	184.61
Subtotal	11,800.1		9,721.7		\$172.47		\$202.02
<i>Other Ancillaries</i>							
Prescription Drugs							
HIV/AIDS Drugs	26.5	100%	26.5	\$383.63	\$0.85	10.4%	\$1.11
All Other Prescription Drugs	25,415.4	95%	24,144.6	32.70	65.79	10.4%	86.31
Transportation	9,317.4	95%	8,851.5	24.30	17.92	2.4%	19.14
DME/Prosthetics/Orthotics	3,890.2	100%	3,890.2	148.18	48.04	2.4%	51.29
School Based Services	-	95%	-	9.79	0.00	2.4%	0.00
Other Ancillary	4,693.3	95%	4,458.6	118.06	43.87	2.4%	46.83
Subtotal	43,342.7		41,371.4		\$176.47		\$204.68
<i>Physician</i>							
Inpatient and Outpatient Surgery	1,376.9	80%	1,101.5	\$173.83	\$15.96	5.8%	\$18.61
Anesthesia	435.0	80%	348.0	77.04	2.23	5.8%	2.61
Office/Consults	6,100.1	105%	6,405.1	41.32	22.06	5.8%	25.72
Well Baby Exams/Physical Exams	121.4	120%	145.7	60.40	0.73	5.8%	0.86
Hospital Inpatient Visits	2,832.8	60%	1,699.7	48.10	6.81	5.8%	7.95
Emergency Room Visits	1,220.3	68%	829.8	70.24	4.86	5.8%	5.67
Clinic Visit/Services	0.1	105%	0.1	73.23	0.00	5.8%	0.00
Radiology	5,014.8	85%	4,262.6	40.39	14.35	5.8%	16.73
Pathology	10,315.2	85%	8,767.9	8.16	5.96	5.8%	6.95
Outpatient Psychiatric	614.9	100%	614.9	52.96	2.71	5.8%	3.17
Maternity	0.1	100%	0.1	992.13	0.00	5.8%	0.01
Other Professional	6,457.9	85%	5,489.2	23.07	10.55	5.8%	12.31
Subtotal	34,489.3		29,664.5		\$86.23		\$100.57
<i>Total Claims/Benefit Cost</i>					\$578.11		\$661.10
<i>Value of Carve-Out Services</i>					\$0.85		\$1.11
<i>Net Claims/Benefit Cost</i>					\$577.27		\$659.99

Michigan Department of Community Health
Cost Model Projections: 2005 Fiscal Year
Regions 1, 9, and 10

4/9/2004
2:38 PM

Population : Blind & Disabled NonDual
High Managed Care

33 Months of Trend

<u>Type of Service</u>	<u>Base Util Rate Per 1,000</u>	<u>Managed Care Adjustment</u>	<u>Adjusted Util Rate Per 1,000</u>	<u>Adjusted Cost Per Service</u>	<u>Adjusted PMPM</u>	<u>Trend</u>	<u>Trended PMPM</u>
<i>Inpatient Hospital</i>							
Medical/Surgical/Non-Delivery Maternity	2,092.4	40%	837.0	\$1,390.82	\$97.01	2.7%	\$104.38
Maternity Delivery	-	100%	-	0.00	0.00	2.7%	0.00
Well Newborn	9.2	100%	9.2	247.60	0.19	2.7%	0.20
Skilled Nursing Facility	-	100%	-	0.00	0.00	2.7%	0.00
Ungroupable Inpatient	-	100%	-	0.00	0.00	2.7%	0.00
Subtotal	2,101.6		846.2		\$97.20		\$104.59
<i>Outpatient Hospital</i>							
Emergency Room	1,345.1	40%	538.0	\$97.48	\$4.37	5.9%	\$5.12
Surgery	279.4	85%	237.5	392.44	7.77	5.9%	9.10
Other Outpatient	10,175.6	70%	7,122.9	221.89	131.71	5.9%	154.28
Subtotal	11,800.1		7,898.4		\$143.85		\$168.49
<i>Other Ancillaries</i>							
Prescription Drugs							
HIV/AIDS Drugs	26.5	100%	26.5	\$383.63	\$0.85	10.4%	\$1.11
All Other Prescription Drugs	25,415.4	80%	20,332.3	33.91	57.46	10.4%	75.38
Transportation	9,317.4	85%	7,919.8	24.30	16.04	2.4%	17.12
DME/Prosthetics/Orthotics	3,890.2	100%	3,890.2	148.18	48.04	2.4%	51.29
School Based Services	-	85%	-	9.79	0.00	2.4%	0.00
Other Ancillary	4,693.3	85%	3,989.3	118.06	39.25	2.4%	41.90
Subtotal	43,342.7		36,158.0		\$161.63		\$186.80
<i>Physician</i>							
Inpatient and Outpatient Surgery	1,376.9	65%	895.0	\$181.21	\$13.51	5.8%	\$15.76
Anesthesia	435.0	65%	282.7	78.17	1.84	5.8%	2.15
Office/Consults	6,100.1	110%	6,710.1	41.63	23.28	5.8%	27.15
Well Baby Exams/Physical Exams	121.4	135%	163.9	62.15	0.85	5.8%	0.99
Hospital Inpatient Visits	2,832.8	40%	1,133.1	49.88	4.71	5.8%	5.49
Emergency Room Visits	1,220.3	52%	634.6	71.33	3.77	5.8%	4.40
Clinic Visit/Services	0.1	110%	0.1	73.95	0.00	5.8%	0.00
Radiology	5,014.8	80%	4,011.8	40.39	13.50	5.8%	15.75
Pathology	10,315.2	80%	8,252.2	8.16	5.61	5.8%	6.54
Outpatient Psychiatric	614.9	100%	614.9	52.96	2.71	5.8%	3.17
Maternity	0.1	100%	0.1	992.13	0.00	5.8%	0.01
Other Professional	6,457.9	75%	4,843.4	23.29	2.40	5.8%	10.97
Subtotal	34,489.3		27,541.8		\$79.20		\$92.37
<i>Total Claims/Benefit Cost</i>					\$481.86		\$552.25
<i>Value of Carve-Out Services</i>					\$0.85		\$1.11
<i>Net Claims/Benefit Cost</i>					\$481.02		\$551.14

Michigan Department of Community Health
Cost Model Projections: 2006 Fiscal Year
Regions 1, 9, and 10

4/9/2004
2:38 PM

Population : Blind & Disabled NonDual
Low Managed Care

45 Months of Trend

<u>Type of Service</u>	<u>Base Util Rate Per 1,000</u>	<u>Managed Care Adjustment</u>	<u>Adjusted Util Rate Per 1,000</u>	<u>Adjusted Cost Per Service</u>	<u>Adjusted PMPM</u>	<u>Trend</u>	<u>Trended PMPM</u>
<i>Inpatient Hospital</i>							
Medical/Surgical/Non-Delivery Maternity	2,092.4	60%	1,255.4	\$1,364.58	\$142.76	2.7%	\$157.77
Maternity Delivery	-	100%	-	0.00	0.00	2.7%	0.00
Well Newborn	9.2	100%	9.2	247.60	0.19	2.7%	0.21
Skilled Nursing Facility	-	100%	-	0.00	0.00	2.7%	0.00
Ungroupable Inpatient	-	100%	-	0.00	0.00	2.7%	0.00
Subtotal	2,101.6		\$1,264.63		\$142.95		\$157.98
<i>Outpatient Hospital</i>							
Emergency Room	1,345.1	60%	807.0	\$93.24	\$6.27	5.9%	\$7.78
Surgery	279.4	95%	265.4	388.58	8.59	5.9%	10.66
Other Outpatient	10,175.6	85%	8,649.3	218.66	157.60	5.9%	195.54
Subtotal	11,800.1		\$9,721.74		\$172.47		\$213.98
<i>Other Ancillaries</i>							
Prescription Drugs							
HIV/AIDS Drugs	26.5	100%	26.5	\$383.63	\$0.85	10.4%	\$1.23
All Other Prescription Drugs	25,415.4	95%	24,144.6	32.70	65.79	10.4%	95.27
Transportation	9,317.4	95%	8,851.5	24.30	17.92	2.4%	19.60
DME/Prosthetics/Orthotics	3,890.2	100%	3,890.2	148.18	48.04	2.4%	52.52
School Based Services	-	95%	-	9.79	0.00	2.4%	0.00
Other Ancillary	4,693.3	95%	4,458.6	118.06	43.87	2.4%	47.96
Subtotal	43,342.7		\$41,371.40		\$176.47		\$216.57
<i>Physician</i>							
Inpatient and Outpatient Surgery	1,376.9	80%	1,101.5	\$173.83	\$15.96	5.8%	\$19.68
Anesthesia	435.0	80%	348.0	77.04	2.23	5.8%	2.76
Office/Consults	6,100.1	105%	6,405.1	41.32	22.06	5.8%	27.21
Well Baby Exams/Physical Exams	121.4	120%	145.7	60.40	0.73	5.8%	0.90
Hospital Inpatient Visits	2,832.8	60%	1,699.7	48.10	6.81	5.8%	8.40
Emergency Room Visits	1,220.3	68%	829.8	70.24	4.86	5.8%	5.99
Clinic Visit/Services	0.1	105%	0.1	73.23	0.00	5.8%	0.00
Radiology	5,014.8	85%	4,262.6	40.39	14.35	5.8%	17.70
Pathology	10,315.2	85%	8,767.9	8.16	5.96	5.8%	7.35
Outpatient Psychiatric	614.9	100%	614.9	52.96	2.71	5.8%	3.35
Maternity	0.1	100%	0.1	992.13	0.00	5.8%	0.01
Other Professional	6,457.9	85%	5,489.2	23.07	10.55	5.8%	13.01
Subtotal	34,489.3		\$29,664.46		\$86.23		\$106.36
<i>Total Claims/Benefit Cost</i>					\$578.11		\$694.90
<i>Value of Carve-Out Services</i>					\$0.85		\$1.23
<i>Net Claims/Benefit Cost</i>					\$577.27		\$693.67

Michigan Department of Community Health
Cost Model Projections: 2006 Fiscal Year
Regions 1, 9, and 10

4/9/2004
2:38 PM

Population : Blind & Disabled NonDual
High Managed Care

45 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
<i>Inpatient Hospital</i>							
Medical/Surgical/Non-Delivery Maternity	2,092.4	40%	837.0	\$1,390.82	\$97.01	2.7%	\$107.20
Maternity Delivery	-	100%	-	0.00	0.00	2.7%	0.00
Well Newborn	9.2	100%	9.2	247.60	0.19	2.7%	0.21
Skilled Nursing Facility	-	100%	-	0.00	0.00	2.7%	0.00
Ungroupable Inpatient	-	100%	-	0.00	0.00	2.7%	0.00
Subtotal	2,101.6		\$846.15		\$97.20		\$107.41
<i>Outpatient Hospital</i>							
Emergency Room	1,345.1	40%	538.0	\$97.48	\$4.37	5.9%	\$5.42
Surgery	279.4	85%	237.5	392.44	7.77	5.9%	9.64
Other Outpatient	10,175.6	70%	7,122.9	221.89	131.71	5.9%	163.41
Subtotal	11,800.1		\$7,898.45		\$143.85		\$178.47
<i>Other Ancillaries</i>							
Prescription Drugs							
HIV/AIDS Drugs	26.5	100%	26.5	\$383.63	\$0.85	10.4%	\$1.23
All Other Prescription Drugs	25,415.4	80%	20,332.3	33.91	57.46	10.4%	83.20
Transportation	9,317.4	85%	7,919.8	24.30	16.04	2.4%	17.53
DME/Prosthetics/Orthotics	3,890.2	100%	3,890.2	148.18	48.04	2.4%	52.52
School Based Services	-	85%	-	9.79	0.00	2.4%	0.00
Other Ancillary	4,693.3	85%	3,989.3	118.06	39.25	2.4%	42.91
Subtotal	43,342.7		\$36,158.02		\$161.63		\$197.39
<i>Physician</i>							
Inpatient and Outpatient Surgery	1,376.9	65%	895.0	\$181.21	\$13.51	5.8%	\$16.67
Anesthesia	435.0	65%	282.7	78.17	1.84	5.8%	2.27
Office/Consults	6,100.1	110%	6,710.1	41.63	23.28	5.8%	28.71
Well Baby Exams/Physical Exams	121.4	135%	163.9	62.15	0.85	5.8%	1.05
Hospital Inpatient Visits	2,832.8	40%	1,133.1	49.88	4.71	5.8%	5.81
Emergency Room Visits	1,220.3	52%	634.6	71.33	3.77	5.8%	4.65
Clinic Visit/Services	0.1	110%	0.1	73.95	0.00	5.8%	0.00
Radiology	5,014.8	80%	4,011.8	40.39	13.50	5.8%	16.65
Pathology	10,315.2	80%	8,252.2	8.16	5.61	5.8%	6.92
Outpatient Psychiatric	614.9	100%	614.9	52.96	2.71	5.8%	3.35
Maternity	0.1	100%	0.1	992.13	0.00	5.8%	0.01
Other Professional	6,457.9	75%	4,843.4	23.29	2.40	5.8%	11.60
Subtotal	34,489.3		\$27,541.81		\$79.20		\$97.69
<i>Total Claims/Benefit Cost</i>					\$481.86		\$580.96
<i>Value of Carve-Out Services</i>					\$0.85		\$1.23
<i>Net Claims/Benefit Cost</i>					\$481.02		\$579.74

Michigan Department of Community Health
Cost Model Projections: 2005 Fiscal Year
Regions 2 - 8

4/9/2004
2:38 PM

Population : Blind & Disabled NonDual
Low Managed Care

33 Months of Trend

<u>Type of Service</u>	<u>Base Util Rate Per 1,000</u>	<u>Managed Care Adjustment</u>	<u>Adjusted Util Rate Per 1,000</u>	<u>Adjusted Cost Per Service</u>	<u>Adjusted PMPM</u>	<u>Trend</u>	<u>Trended PMPM</u>
<i>Inpatient Hospital</i>							
Medical/Surgical/Non-Delivery Maternity	1,279.4	75%	959.5	\$1,292.09	\$103.31	2.7%	\$111.17
Maternity Delivery	-	100%	-	0.00	0.00	2.7%	0.00
Well Newborn	6.0	100%	6.0	354.04	0.18	2.7%	0.19
Skilled Nursing Facility	-	100%	-	0.00	0.00	2.7%	0.00
Ungroupable Inpatient	-	100%	-	0.00	0.00	2.7%	0.00
Subtotal	1,285.3		965.5		\$103.49		\$111.36
<i>Outpatient Hospital</i>							
Emergency Room	1,370.2	60%	822.1	\$86.97	\$5.96	5.9%	\$6.98
Surgery	300.1	90%	270.1	403.08	9.07	5.9%	10.63
Other Outpatient	12,408.8	80%	9,927.0	148.58	122.91	5.9%	143.97
Subtotal	14,079.1		11,019.2		\$137.94		\$161.58
<i>Other Ancillaries</i>							
Prescription Drugs							
HIV/AIDS Drugs	6.3	100%	6.3	\$403.14	\$0.21	10.4%	\$0.28
All Other Prescription Drugs	26,194.6	95%	24,884.9	40.36	83.69	10.4%	109.79
Transportation	4,457.4	95%	4,234.6	16.92	5.97	2.4%	6.38
DME/Prosthetics/Orthotics	2,779.2	100%	2,779.2	169.20	39.19	2.4%	41.84
School Based Services	-	95%	-	14.89	0.00	2.4%	0.00
Other Ancillary	2,475.1	95%	2,351.3	80.44	15.76	2.4%	16.83
Subtotal	35,912.7		34,256.3		\$144.82		\$175.11
<i>Physician</i>							
Inpatient and Outpatient Surgery	1,188.5	85%	1,010.2	\$183.77	\$15.47	5.8%	\$18.05
Anesthesia	211.0	85%	179.3	111.85	1.67	5.8%	1.95
Office/Consults	5,836.9	105%	6,128.8	37.62	19.21	5.8%	22.41
Well Baby Exams/Physical Exams	218.4	115%	251.2	59.72	1.25	5.8%	1.46
Hospital Inpatient Visits	1,512.0	75%	1,134.0	50.84	4.80	5.8%	5.60
Emergency Room Visits	1,471.7	68%	1,000.8	61.90	5.16	5.8%	6.02
Clinic Visit/Services	9.9	105%	10.4	23.73	0.02	5.8%	0.02
Radiology	5,227.5	90%	4,704.8	37.00	14.51	5.8%	16.92
Pathology	13,867.1	70%	9,707.0	7.47	6.04	5.8%	7.05
Outpatient Psychiatric	562.7	100%	562.7	53.96	2.53	5.8%	2.95
Maternity	-	100%	-	0.00	0.00	5.8%	0.00
Other Professional	4,547.7	90%	4,092.9	22.70	7.74	5.8%	9.03
Subtotal	34,653.5		28,782.1		\$78.42		\$91.47
<i>Total Claims/Benefit Cost</i>					\$464.68		\$539.52
<i>Value of Carve-Out Services</i>					\$0.21		\$0.28
<i>Net Claims/Benefit Cost</i>					\$464.46		\$539.24

Michigan Department of Community Health
Cost Model Projections: 2005 Fiscal Year
Regions 2 - 8

4/9/2004
2:38 PM

Population : Blind & Disabled NonDual
High Managed Care

33 Months of Trend

<u>Type of Service</u>	<u>Base Util Rate Per 1,000</u>	<u>Managed Care Adjustment</u>	<u>Adjusted Util Rate Per 1,000</u>	<u>Adjusted Cost Per Service</u>	<u>Adjusted PMPM</u>	<u>Trend</u>	<u>Trended PMPM</u>
<i>Inpatient Hospital</i>							
Medical/Surgical/Non-Delivery Maternity	1,279.4	60%	767.6	\$1,311.00	\$83.86	2.7%	\$90.24
Maternity Delivery	-	100%	-	0.00	0.00	2.7%	0.00
Well Newborn	6.0	100%	6.0	354.04	0.18	2.7%	0.19
Skilled Nursing Facility	-	100%	-	0.00	0.00	2.7%	0.00
Ungroupable Inpatient	-	100%	-	0.00	0.00	2.7%	0.00
Subtotal	1,285.3		773.6		\$84.04		\$90.43
<i>Outpatient Hospital</i>							
Emergency Room	1,370.2	40%	548.1	\$90.92	\$4.15	5.9%	\$4.86
Surgery	300.1	80%	240.1	407.07	8.14	5.9%	9.54
Other Outpatient	12,408.8	65%	8,065.7	150.77	101.34	5.9%	118.70
Subtotal	14,079.1		8,853.9		\$113.63		\$133.10
<i>Other Ancillaries</i>							
Prescription Drugs							
HIV/AIDS Drugs	6.3	100%	6.3	\$403.14	\$0.21	10.4%	\$0.28
All Other Prescription Drugs	26,194.6	80%	20,955.7	41.85	73.09	10.4%	95.88
Transportation	4,457.4	85%	3,788.8	16.92	5.34	2.4%	5.70
DME/Prosthetics/Orthotics	2,779.2	100%	2,779.2	169.20	39.19	2.4%	41.84
School Based Services	-	85%	-	14.89	0.00	2.4%	0.00
Other Ancillary	2,475.1	85%	2,103.8	80.44	14.10	2.4%	15.06
Subtotal	35,912.7		29,633.9		\$131.93		\$158.76
<i>Physician</i>							
Inpatient and Outpatient Surgery	1,188.5	70%	832.0	\$191.69	\$13.29	5.8%	\$15.50
Anesthesia	211.0	70%	147.7	113.50	1.40	5.8%	1.63
Office/Consults	5,836.9	110%	6,420.6	37.90	20.28	5.8%	23.65
Well Baby Exams/Physical Exams	218.4	130%	284.0	61.45	1.45	5.8%	1.70
Hospital Inpatient Visits	1,512.0	60%	907.2	52.30	3.95	5.8%	4.61
Emergency Room Visits	1,471.7	52%	765.3	62.86	4.01	5.8%	4.68
Clinic Visit/Services	9.9	110%	10.9	23.97	0.02	5.8%	0.03
Radiology	5,227.5	80%	4,182.0	37.00	12.90	5.8%	15.04
Pathology	13,867.1	60%	8,320.3	7.47	5.18	5.8%	6.04
Outpatient Psychiatric	562.7	100%	562.7	53.96	2.53	5.8%	2.95
Maternity	-	100%	-	0.00	0.00	5.8%	0.00
Other Professional	4,547.7	75%	3,410.8	23.04	6.55	5.8%	7.64
Subtotal	34,653.5		25,843.3		\$71.56		\$83.46
<i>Total Claims/Benefit Cost</i>					\$401.16		\$465.76
<i>Value of Carve-Out Services</i>					\$0.21		\$0.28
<i>Net Claims/Benefit Cost</i>					\$400.95		\$465.48

Michigan Department of Community Health
Cost Model Projections: 2006 Fiscal Year
Regions 2 - 8

4/9/2004
2:38 PM

Population : Blind & Disabled NonDual
Low Managed Care

45 Months of Trend

<u>Type of Service</u>	<u>Base Util Rate Per 1,000</u>	<u>Managed Care Adjustment</u>	<u>Adjusted Util Rate Per 1,000</u>	<u>Adjusted Cost Per Service</u>	<u>Adjusted PMPM</u>	<u>Trend</u>	<u>Trended PMPM</u>
<i>Inpatient Hospital</i>							
Medical/Surgical/Non-Delivery Maternity	1,279.4	75%	959.5	\$1,292.09	\$103.31	2.7%	\$114.18
Maternity Delivery	-	100%	-	0.00	0.00	2.7%	0.00
Well Newborn	6.0	100%	6.0	354.04	0.18	2.7%	0.19
Skilled Nursing Facility	-	100%	-	0.00	0.00	2.7%	0.00
Ungroupable Inpatient	-	100%	-	0.00	0.00	2.7%	0.00
Subtotal	1,285.3		965.5		\$103.49		\$114.37
<i>Outpatient Hospital</i>							
Emergency Room	1,370.2	60%	822.1	\$86.97	\$5.96	5.9%	\$7.39
Surgery	300.1	90%	270.1	403.08	9.07	5.9%	11.26
Other Outpatient	12,408.8	80%	9,927.0	148.58	122.91	5.9%	152.50
Subtotal	14,079.1		11,019.2		\$137.94		\$171.15
<i>Other Ancillaries</i>							
Prescription Drugs							
HIV/AIDS Drugs	6.3	100%	6.3	\$403.14	\$0.21	10.4%	\$0.31
All Other Prescription Drugs	26,194.6	95%	24,884.9	40.36	83.69	10.4%	121.18
Transportation	4,457.4	95%	4,234.6	16.92	5.97	2.4%	6.53
DME/Prosthetics/Orthotics	2,779.2	100%	2,779.2	169.20	39.19	2.4%	42.84
School Based Services	-	95%	-	14.89	0.00	2.4%	0.00
Other Ancillary	2,475.1	95%	2,351.3	80.44	15.76	2.4%	17.23
Subtotal	35,912.7		34,256.3		\$144.82		\$188.10
<i>Physician</i>							
Inpatient and Outpatient Surgery	1,188.5	85%	1,010.2	\$183.77	\$15.47	5.8%	\$19.08
Anesthesia	211.0	85%	179.3	111.85	1.67	5.8%	2.06
Office/Consults	5,836.9	105%	6,128.8	37.62	19.21	5.8%	23.70
Well Baby Exams/Physical Exams	218.4	115%	251.2	59.72	1.25	5.8%	1.54
Hospital Inpatient Visits	1,512.0	75%	1,134.0	50.84	4.80	5.8%	5.93
Emergency Room Visits	1,471.7	68%	1,000.8	61.90	5.16	5.8%	6.37
Clinic Visit/Services	9.9	105%	10.4	23.73	0.02	5.8%	0.03
Radiology	5,227.5	90%	4,704.8	37.00	14.51	5.8%	17.90
Pathology	13,867.1	70%	9,707.0	7.47	6.04	5.8%	7.45
Outpatient Psychiatric	562.7	100%	562.7	53.96	2.53	5.8%	3.12
Maternity	-	100%	-	0.00	0.00	5.8%	0.00
Other Professional	4,547.7	90%	4,092.9	22.70	7.74	5.8%	9.55
Subtotal	34,653.5		28,782.1		\$78.42		\$96.73
<i>Total Claims/Benefit Cost</i>					\$464.68		\$570.35
<i>Value of Carve-Out Services</i>					\$0.21		\$0.31
<i>Net Claims/Benefit Cost</i>					\$464.46		\$570.04

Michigan Department of Community Health
Cost Model Projections: 2006 Fiscal Year
Regions 2 - 8

4/9/2004
2:38 PM

Population : Blind & Disabled NonDual
High Managed Care

45 Months of Trend

<u>Type of Service</u>	<u>Base Util Rate Per 1,000</u>	<u>Managed Care Adjustment</u>	<u>Adjusted Util Rate Per 1,000</u>	<u>Adjusted Cost Per Service</u>	<u>Adjusted PMPM</u>	<u>Trend</u>	<u>Trended PMPM</u>
<i>Inpatient Hospital</i>							
Medical/Surgical/Non-Delivery Maternity	1,279.4	60%	767.6	\$1,311.00	\$83.86	2.7%	\$92.68
Maternity Delivery	-	100%	-	0.00	0.00	2.7%	0.00
Well Newborn	6.0	100%	6.0	354.04	0.18	2.7%	0.19
Skilled Nursing Facility	-	100%	-	0.00	0.00	2.7%	0.00
Ungroupable Inpatient	-	100%	-	0.00	0.00	2.7%	0.00
Subtotal	1,285.3		773.6		\$84.04		\$92.87
<i>Outpatient Hospital</i>							
Emergency Room	1,370.2	40%	548.1	\$90.92	\$4.15	5.9%	\$5.15
Surgery	300.1	80%	240.1	407.07	8.14	5.9%	10.10
Other Outpatient	12,408.8	65%	8,065.7	150.77	101.34	5.9%	125.73
Subtotal	14,079.1		8,853.9		\$113.63		\$140.98
<i>Other Ancillaries</i>							
Prescription Drugs							
HIV/AIDS Drugs	6.3	100%	6.3	\$403.14	\$0.21	10.4%	\$0.31
All Other Prescription Drugs	26,194.6	80%	20,955.7	41.85	73.09	10.4%	105.83
Transportation	4,457.4	85%	3,788.8	16.92	5.34	2.4%	5.84
DME/Prosthetics/Orthotics	2,779.2	100%	2,779.2	169.20	39.19	2.4%	42.84
School Based Services	-	85%	-	14.89	0.00	2.4%	0.00
Other Ancillary	2,475.1	85%	2,103.8	80.44	14.10	2.4%	15.42
Subtotal	35,912.7		29,633.9		\$131.93		\$170.24
<i>Physician</i>							
Inpatient and Outpatient Surgery	1,188.5	70%	832.0	\$191.69	\$13.29	5.8%	\$16.39
Anesthesia	211.0	70%	147.7	113.50	1.40	5.8%	1.72
Office/Consults	5,836.9	110%	6,420.6	37.90	20.28	5.8%	25.01
Well Baby Exams/Physical Exams	218.4	130%	284.0	61.45	1.45	5.8%	1.79
Hospital Inpatient Visits	1,512.0	60%	907.2	52.30	3.95	5.8%	4.88
Emergency Room Visits	1,471.7	52%	765.3	62.86	4.01	5.8%	4.94
Clinic Visit/Services	9.9	110%	10.9	23.97	0.02	5.8%	0.03
Radiology	5,227.5	80%	4,182.0	37.00	12.90	5.8%	15.91
Pathology	13,867.1	60%	8,320.3	7.47	5.18	5.8%	6.39
Outpatient Psychiatric	562.7	100%	562.7	53.96	2.53	5.8%	3.12
Maternity	-	100%	-	0.00	0.00	5.8%	0.00
Other Professional	4,547.7	75%	3,410.8	23.04	6.55	5.8%	8.08
Subtotal	34,653.5		25,843.3		\$71.56		\$88.27
<i>Total Claims/Benefit Cost</i>					\$401.16		\$492.37
<i>Value of Carve-Out Services</i>					\$0.21		\$0.31
<i>Net Claims/Benefit Cost</i>					\$400.95		\$492.06

Michigan Department of Community Health
Cost Model Projections: 2005 Fiscal Year
Regions 1, 9, and 10

4/9/2004
2:38 PM

Population : TANF Composite
Low Managed Care

33 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
<i>Inpatient Hospital</i>							
Medical/Surgical/Non-Delivery Maternity	136.4	90%	122.1	\$1,355.35	\$13.79	1.7%	\$14.43
Maternity Delivery	-	100%	-	0.00	0.00	0.0%	0.00
Well Newborn	32.1	150%	48.1	296.88	1.19	1.7%	1.25
Skilled Nursing Facility	-	100%	-	0.00	0.00	0.0%	0.00
Ungroupable Inpatient	-	100%	-	0.00	0.00	0.0%	0.00
Subtotal	168.5		170.2	\$1,055.98	\$14.98		\$15.67
<i>Outpatient Hospital</i>							
Emergency Room	637.9	87%	555.1	\$84.89	\$3.93	2.3%	\$4.18
Surgery	100.7	95%	95.7	308.64	2.46	2.3%	2.62
Other Outpatient	1,342.9	86%	1,155.5	102.07	9.83	2.3%	10.46
Subtotal	2,081.5		1,806.3	\$107.73	\$16.22		\$17.26
<i>Other Ancillaries</i>							
Prescription Drugs							
HIV/AIDS Drugs	0.7	100%	0.7	\$453.93	\$0.03	11.3%	\$0.03
All Other Prescription Drugs	4,861.7	98%	4,780.2	25.90	10.32	11.3%	13.84
Transportation	881.1	93%	819.8	22.43	1.53	5.4%	1.77
DME/Prosthetics/Orthotics	73.5	100%	73.5	124.93	0.76	5.4%	0.88
School Based Services	-	100%	-	0.00	0.00	0.0%	0.00
Other Ancillary	403.3	93%	376.0	34.81	1.09	5.4%	1.26
Subtotal	6,220.3		6,050.1	\$27.23	\$13.73		\$17.79
<i>Physician</i>							
Inpatient and Outpatient Surgery	360.5	89%	321.1	\$110.22	\$2.95	2.6%	\$3.16
Anesthesia	118.7	89%	105.3	70.48	0.62	2.6%	0.66
Office/Consults	2,763.8	121%	3,356.0	35.70	9.99	2.6%	10.71
Well Baby Exams/Physical Exams	418.2	145%	608.3	57.66	2.92	2.6%	3.13
Hospital Inpatient Visits	190.2	94%	178.9	41.82	0.62	2.6%	0.67
Emergency Room Visits	579.7	89%	517.8	55.80	2.41	2.6%	2.58
Clinic Visit/Services	0.2	122%	0.3	69.03	0.00	2.6%	0.00
Radiology	1,114.8	96%	1,066.2	29.16	2.59	2.6%	2.78
Pathology	2,551.0	96%	2,447.6	6.54	1.33	2.6%	1.43
Outpatient Psychiatric	261.9	100%	261.9	63.53	1.39	2.6%	1.49
Maternity	0.0	100%	0.0	1,181.31	0.00	2.6%	0.00
Other Professional	2,176.6	91%	1,974.2	20.14	3.31	2.6%	3.55
Subtotal	10,535.5		10,837.5	\$31.15	\$28.14		\$30.17
<i>Total Claims/Benefit Cost</i>					\$73.06		\$80.90
<i>Value of Carve-Out Services</i>					\$0.03		\$0.03
<i>Net Claims/Benefit Cost</i>					\$73.04		\$80.87

Michigan Department of Community Health
Cost Model Projections: 2005 Fiscal Year
Regions 1, 9, and 10

4/9/2004
2:38 PM

Population : TANF Composite
High Managed Care

33 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
<i>Inpatient Hospital</i>							
Medical/Surgical/Non-Delivery Maternity	136.4	85%	115.3	\$1,361.86	\$13.08	1.7%	\$13.69
Maternity Delivery	-	100%	-	0.00	0.00	0.0%	0.00
Well Newborn	32.1	150%	48.1	296.88	1.19	1.7%	1.25
Skilled Nursing Facility	-	100%	-	0.00	0.00	0.0%	0.00
Ungroupable Inpatient	-	100%	-	0.00	0.00	0.0%	0.00
Subtotal	168.5		163.4	\$1,048.08	\$14.27		\$14.93
<i>Outpatient Hospital</i>							
Emergency Room	637.9	72%	459.4	\$88.02	\$3.37	2.3%	\$3.59
Surgery	100.7	85%	85.6	311.71	2.22	2.3%	2.37
Other Outpatient	1,342.9	76%	1,021.2	103.15	8.78	2.3%	9.35
Subtotal	2,081.5		1,566.2	\$110.11	\$14.37		\$15.30
<i>Other Ancillaries</i>							
Prescription Drugs							
HIV/AIDS Drugs	0.7	100%	0.7	\$453.93	\$0.03	11.3%	\$0.03
All Other Prescription Drugs	4,861.7	98%	4,780.2	25.90	10.32	11.3%	13.84
Transportation	881.1	78%	687.6	22.44	1.29	5.4%	1.49
DME/Prosthetics/Orthotics	73.5	100%	73.5	124.93	0.76	5.4%	0.88
School Based Services	-	100%	-	0.00	0.00	0.0%	0.00
Other Ancillary	403.3	78%	315.5	34.87	0.92	5.4%	1.06
Subtotal	6,220.3		5,857.5	\$27.27	\$13.31		\$17.31
<i>Physician</i>							
Inpatient and Outpatient Surgery	360.5	84%	303.0	\$111.82	\$2.82	2.6%	\$3.03
Anesthesia	118.7	79%	93.5	71.20	0.55	2.6%	0.59
Office/Consults	2,763.8	131%	3,632.4	36.22	10.97	2.6%	11.76
Well Baby Exams/Physical Exams	418.2	160%	671.0	59.27	3.31	2.6%	3.55
Hospital Inpatient Visits	190.2	91%	172.6	42.19	0.61	2.6%	0.65
Emergency Room Visits	579.7	77%	448.3	56.49	2.11	2.6%	2.26
Clinic Visit/Services	0.2	132%	0.3	70.38	0.00	2.6%	0.00
Radiology	1,114.8	86%	954.7	29.20	2.32	2.6%	2.49
Pathology	2,551.0	86%	2,192.5	6.55	1.20	2.6%	1.28
Outpatient Psychiatric	261.9	100%	261.9	63.53	1.39	2.6%	1.49
Maternity	0.0	100%	0.0	1,181.31	0.00	2.6%	0.00
Other Professional	2,176.6	81%	1,756.5	20.34	2.98	2.6%	3.19
Subtotal	10,535.5		10,486.7	\$32.34	\$28.26		\$30.31
<i>Total Claims/Benefit Cost</i>					\$70.21		\$77.85
<i>Value of Carve-Out Services</i>					\$0.03		\$0.03
<i>Net Claims/Benefit Cost</i>					\$70.19		\$77.81

Michigan Department of Community Health
Cost Model Projections: 2006 Fiscal Year
Regions 1, 9, and 10

4/9/2004
2:38 PM

Population : TANF Composite
Low Managed Care

45 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
<i>Inpatient Hospital</i>							
Medical/Surgical/Non-Delivery Maternity	136.4	90%	122.1	\$1,355.35	\$13.79	1.7%	\$14.67
Maternity Delivery	-	100%	-	0.00	0.00	0.0%	0.00
Well Newborn	32.1	150%	48.1	296.88	1.19	1.7%	1.27
Skilled Nursing Facility	-	100%	-	0.00	0.00	0.0%	0.00
Ungroupable Inpatient	-	100%	-	0.00	0.00	0.0%	0.00
Subtotal	168.5		170.2	\$1,055.98	\$14.98		\$15.93
<i>Outpatient Hospital</i>							
Emergency Room	637.9	87%	555.1	\$84.89	\$3.93	2.3%	\$4.28
Surgery	100.7	95%	95.7	308.64	2.46	2.3%	2.68
Other Outpatient	1,342.9	86%	1,155.5	102.07	9.83	2.3%	10.71
Subtotal	2,081.5		1,806.3	\$107.73	\$16.22		\$17.66
<i>Other Ancillaries</i>							
Prescription Drugs							
HIV/AIDS Drugs	0.7	100%	0.7	\$453.93	\$0.03	11.3%	\$0.04
All Other Prescription Drugs	4,861.7	98%	4,780.2	25.90	10.32	11.3%	15.41
Transportation	881.1	93%	819.8	22.43	1.53	5.4%	1.87
DME/Prosthetics/Orthotics	73.5	100%	73.5	124.93	0.76	5.4%	0.93
School Based Services	-	100%	-	0.00	0.00	0.0%	0.00
Other Ancillary	403.3	93%	376.0	34.81	1.09	5.4%	1.33
Subtotal	6,220.3		6,050.1	\$27.23	\$13.73		\$19.57
<i>Physician</i>							
Inpatient and Outpatient Surgery	360.5	89%	321.1	\$110.22	\$2.95	2.6%	\$3.24
Anesthesia	118.7	89%	105.3	70.48	0.62	2.6%	0.68
Office/Consults	2,763.8	121%	3,356.0	35.70	9.99	2.6%	10.98
Well Baby Exams/Physical Exams	418.2	145%	608.3	57.66	2.92	2.6%	3.22
Hospital Inpatient Visits	190.2	94%	178.9	41.82	0.62	2.6%	0.69
Emergency Room Visits	579.7	89%	517.8	55.80	2.41	2.6%	2.65
Clinic Visit/Services	0.2	122%	0.3	69.03	0.00	2.6%	0.00
Radiology	1,114.8	96%	1,066.2	29.16	2.59	2.6%	2.85
Pathology	2,551.0	96%	2,447.6	6.54	1.33	2.6%	1.47
Outpatient Psychiatric	261.9	100%	261.9	63.53	1.39	2.6%	1.53
Maternity	0.0	100%	0.0	1,181.31	0.00	2.6%	0.00
Other Professional	2,176.6	91%	1,974.2	20.14	3.31	2.6%	3.64
Subtotal	10,535.5		10,837.5	\$31.15	\$28.14		\$30.95
<i>Total Claims/Benefit Cost</i>					\$73.06		\$84.11
<i>Value of Carve-Out Services</i>					\$0.03		\$0.04
<i>Net Claims/Benefit Cost</i>					\$73.04		\$84.08

Michigan Department of Community Health
Cost Model Projections: 2006 Fiscal Year
Regions 1, 9, and 10

4/9/2004
2:38 PM

Population : TANF Composite
High Managed Care

45 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
<i>Inpatient Hospital</i>							
Medical/Surgical/Non-Delivery Maternity	136.4	85%	115.3	\$1,361.86	\$13.08	1.7%	\$13.91
Maternity Delivery	-	100%	-	0.00	0.00	0.0%	0.00
Well Newborn	32.1	150%	48.1	296.88	1.19	1.7%	1.27
Skilled Nursing Facility	-	100%	-	0.00	0.00	0.0%	0.00
Ungroupable Inpatient	-	100%	-	0.00	0.00	0.0%	0.00
Subtotal	168.5		163.4	\$1,048.08	\$14.27		\$15.18
<i>Outpatient Hospital</i>							
Emergency Room	637.9	72%	459.4	\$88.02	\$3.37	2.3%	\$3.67
Surgery	100.7	85%	85.6	311.71	2.22	2.3%	2.42
Other Outpatient	1,342.9	76%	1,021.2	103.15	8.78	2.3%	9.56
Subtotal	2,081.5		1,566.2	\$110.11	\$14.37		\$15.65
<i>Other Ancillaries</i>							
Prescription Drugs							
HIV/AIDS Drugs	0.7	100%	0.7	\$453.93	\$0.03	11.3%	\$0.04
All Other Prescription Drugs	4,861.7	98%	4,780.2	25.90	10.32	11.3%	15.41
Transportation	881.1	78%	687.6	22.44	1.29	5.4%	1.57
DME/Prosthetics/Orthotics	73.5	100%	73.5	124.93	0.76	5.4%	0.93
School Based Services	-	100%	-	0.00	0.00	0.0%	0.00
Other Ancillary	403.3	78%	315.5	34.87	0.92	5.4%	1.12
Subtotal	6,220.3		5,857.5	\$27.27	\$13.31		\$19.06
<i>Physician</i>							
Inpatient and Outpatient Surgery	360.5	84%	303.0	\$111.82	\$2.82	2.6%	\$3.11
Anesthesia	118.7	79%	93.5	71.20	0.55	2.6%	0.61
Office/Consults	2,763.8	131%	3,632.4	36.22	10.97	2.6%	12.06
Well Baby Exams/Physical Exams	418.2	160%	671.0	59.27	3.31	2.6%	3.65
Hospital Inpatient Visits	190.2	91%	172.6	42.19	0.61	2.6%	0.67
Emergency Room Visits	579.7	77%	448.3	56.49	2.11	2.6%	2.32
Clinic Visit/Services	0.2	132%	0.3	70.38	0.00	2.6%	0.00
Radiology	1,114.8	86%	954.7	29.20	2.32	2.6%	2.56
Pathology	2,551.0	86%	2,192.5	6.55	1.20	2.6%	1.32
Outpatient Psychiatric	261.9	100%	261.9	63.53	1.39	2.6%	1.53
Maternity	0.0	100%	0.0	1,181.31	0.00	2.6%	0.00
Other Professional	2,176.6	81%	1,756.5	20.34	2.98	2.6%	3.27
Subtotal	10,535.5		10,486.7	\$32.34	\$28.26		\$31.09
<i>Total Claims/Benefit Cost</i>					\$70.21		\$80.98
<i>Value of Carve-Out Services</i>					\$0.03		\$0.04
<i>Net Claims/Benefit Cost</i>					\$70.19		\$80.94

Michigan Department of Community Health
Cost Model Projections: 2005 Fiscal Year
Regions 2 - 8

4/9/2004
2:38 PM

Population : TANF Composite
Low Managed Care

33 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
<i>Inpatient Hospital</i>							
Medical/Surgical/Non-Delivery Maternity	125.1	90%	112.0	\$1,319.20	\$12.32	1.7%	\$12.89
Maternity Delivery	-	100%	-	0.00	0.00	0.0%	0.00
Well Newborn	39.5	150%	59.2	276.66	1.36	1.7%	1.43
Skilled Nursing Facility	-	100%	-	0.00	0.00	0.0%	0.00
Ungroupable Inpatient	-	100%	-	0.00	0.00	0.0%	0.00
Subtotal	164.5		171.2	\$958.83	\$13.68		\$14.31
<i>Outpatient Hospital</i>							
Emergency Room	811.9	89%	722.4	\$79.28	\$4.77	2.3%	\$5.08
Surgery	131.5	90%	118.4	352.83	3.48	2.3%	3.71
Other Outpatient	2,537.0	86%	2,179.4	59.46	10.80	2.3%	11.50
Subtotal	3,480.4		3,020.1	\$75.70	\$19.05		\$20.28
<i>Other Ancillaries</i>							
Prescription Drugs							
HIV/AIDS Drugs	0.2	94%	0.1	\$400.46	\$0.00	11.3%	\$0.01
All Other Prescription Drugs	5,187.1	94%	4,852.6	30.13	12.18	11.3%	16.35
Transportation	594.3	93%	554.9	15.66	0.72	5.4%	0.84
DME/Prosthetics/Orthotics	107.2	100%	107.2	100.49	0.90	5.4%	1.04
School Based Services	-	100%	-	0.00	0.00	0.0%	0.00
Other Ancillary	387.9	93%	360.8	20.23	0.61	5.4%	0.70
Subtotal	6,276.6		5,875.7	\$29.45	\$14.42		\$18.93
<i>Physician</i>							
Inpatient and Outpatient Surgery	379.1	90%	339.4	\$128.51	\$3.63	2.6%	\$3.90
Anesthesia	87.1	89%	77.8	80.42	0.52	2.6%	0.56
Office/Consults	2,815.3	107%	3,001.4	32.79	8.20	2.6%	8.80
Well Baby Exams/Physical Exams	478.2	130%	619.8	55.94	2.89	2.6%	3.10
Hospital Inpatient Visits	173.1	97%	167.7	49.50	0.69	2.6%	0.74
Emergency Room Visits	782.1	91%	713.4	53.80	3.20	2.6%	3.43
Clinic Visit/Services	43.1	112%	48.4	69.94	0.28	2.6%	0.30
Radiology	1,450.8	83%	1,205.3	26.48	2.66	2.6%	2.85
Pathology	4,008.6	83%	3,325.0	8.14	2.26	2.6%	2.42
Outpatient Psychiatric	302.7	100%	302.7	58.22	1.47	2.6%	1.58
Maternity	0.0	100%	0.0	909.02	0.00	2.6%	0.00
Other Professional	2,610.6	91%	2,377.8	22.10	4.38	2.6%	4.70
Subtotal	13,130.7		12,178.7	\$29.74	\$30.18		\$32.37
<i>Total Claims/Benefit Cost</i>					\$77.34		\$85.90
<i>Value of Carve-Out Services</i>					\$0.00		\$0.01
<i>Net Claims/Benefit Cost</i>					\$77.33		\$85.89

Michigan Department of Community Health
Cost Model Projections: 2005 Fiscal Year
Regions 2 - 8

4/9/2004
2:38 PM

Population : TANF Composite
High Managed Care

33 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
<i>Inpatient Hospital</i>							
Medical/Surgical/Non-Delivery Maternity	125.1	85%	105.8	\$1,325.42	\$11.68	1.7%	\$12.22
Maternity Delivery	-	100%	-	0.00	0.00	0.0%	0.00
Well Newborn	39.5	150%	59.2	276.66	1.36	1.7%	1.43
Skilled Nursing Facility	-	100%	-	0.00	0.00	0.0%	0.00
Ungroupable Inpatient	-	100%	-	0.00	0.00	0.0%	0.00
Subtotal	164.5		165.0	\$949.16	\$13.05		\$13.65
<i>Outpatient Hospital</i>							
Emergency Room	811.9	64%	519.4	\$84.11	\$3.64	2.3%	\$3.88
Surgery	131.5	80%	105.2	356.33	3.12	2.3%	3.33
Other Outpatient	2,537.0	76%	1,925.7	60.14	9.65	2.3%	10.27
Subtotal	3,480.4		2,550.3	\$77.24	\$16.42		\$17.48
<i>Other Ancillaries</i>							
Prescription Drugs							
HIV/AIDS Drugs	0.2	92%	0.1	\$402.93	\$0.00	11.3%	\$0.01
All Other Prescription Drugs	5,187.1	91%	4,722.9	30.31	11.93	11.3%	16.01
Transportation	594.3	78%	465.8	15.67	0.61	5.4%	0.70
DME/Prosthetics/Orthotics	107.2	100%	107.2	100.49	0.90	5.4%	1.04
School Based Services	-	100%	-	0.00	0.00	0.0%	0.00
Other Ancillary	387.9	78%	302.7	20.27	0.51	5.4%	0.59
Subtotal	6,276.6		5,598.7	\$29.90	\$13.95		\$18.35
<i>Physician</i>							
Inpatient and Outpatient Surgery	379.1	85%	320.5	\$130.36	\$3.48	2.6%	\$3.73
Anesthesia	87.1	79%	69.1	81.20	0.47	2.6%	0.50
Office/Consults	2,815.3	117%	3,282.9	33.28	9.10	2.6%	9.76
Well Baby Exams/Physical Exams	478.2	145%	691.5	57.54	3.32	2.6%	3.56
Hospital Inpatient Visits	173.1	94%	162.9	49.89	0.68	2.6%	0.73
Emergency Room Visits	782.1	71%	557.0	54.88	2.55	2.6%	2.73
Clinic Visit/Services	43.1	122%	52.7	71.17	0.31	2.6%	0.33
Radiology	1,450.8	68%	987.7	26.51	2.18	2.6%	2.34
Pathology	4,008.6	68%	2,723.7	8.15	1.85	2.6%	1.98
Outpatient Psychiatric	302.7	100%	302.7	58.22	1.47	2.6%	1.58
Maternity	0.0	100%	0.0	909.02	0.00	2.6%	0.00
Other Professional	2,610.6	81%	2,116.8	22.32	3.94	2.6%	4.22
Subtotal	13,130.7		11,267.4	\$31.25	\$29.34		\$31.47
<i>Total Claims/Benefit Cost</i>					\$72.76		\$80.94
<i>Value of Carve-Out Services</i>					\$0.00		\$0.01
<i>Net Claims/Benefit Cost</i>					\$72.75		\$80.94

Michigan Department of Community Health
Cost Model Projections: 2006 Fiscal Year
Regions 2 - 8

4/9/2004
2:38 PM

Population : TANF Composite
Low Managed Care

45 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
<i>Inpatient Hospital</i>							
Medical/Surgical/Non-Delivery Maternity	125.1	90%	112.0	\$1,319.20	\$12.32	1.7%	\$13.10
Maternity Delivery	-	100%	-	0.00	0.00	0.0%	0.00
Well Newborn	39.5	150%	59.2	276.66	1.36	1.7%	1.45
Skilled Nursing Facility	-	100%	-	0.00	0.00	0.0%	0.00
Ungroupable Inpatient	-	100%	-	0.00	0.00	0.0%	0.00
Subtotal	164.5		171.2	\$958.83	\$13.68		\$14.55
<i>Outpatient Hospital</i>							
Emergency Room	811.9	89%	722.4	\$79.28	\$4.77	2.3%	\$5.20
Surgery	131.5	90%	118.4	352.83	3.48	2.3%	3.79
Other Outpatient	2,537.0	86%	2,179.4	59.46	10.80	2.3%	11.76
Subtotal	3,480.4		3,020.1	\$75.70	\$19.05		\$20.75
<i>Other Ancillaries</i>							
Prescription Drugs							
HIV/AIDS Drugs	0.2	94%	0.1	\$400.46	\$0.00	11.3%	\$0.01
All Other Prescription Drugs	5,187.1	94%	4,852.6	30.13	12.18	11.3%	18.19
Transportation	594.3	93%	554.9	15.66	0.72	5.4%	0.88
DME/Prosthetics/Orthotics	107.2	100%	107.2	100.49	0.90	5.4%	1.09
School Based Services	-	100%	-	0.00	0.00	0.0%	0.00
Other Ancillary	387.9	93%	360.8	20.23	0.61	5.4%	0.74
Subtotal	6,276.6		5,875.7	\$29.45	\$14.42		\$20.92
<i>Physician</i>							
Inpatient and Outpatient Surgery	379.1	90%	339.4	\$128.51	\$3.63	2.6%	\$4.00
Anesthesia	87.1	89%	77.8	80.42	0.52	2.6%	0.57
Office/Consults	2,815.3	107%	3,001.4	32.79	8.20	2.6%	9.02
Well Baby Exams/Physical Exams	478.2	130%	619.8	55.94	2.89	2.6%	3.18
Hospital Inpatient Visits	173.1	97%	167.7	49.50	0.69	2.6%	0.76
Emergency Room Visits	782.1	91%	713.4	53.80	3.20	2.6%	3.52
Clinic Visit/Services	43.1	112%	48.4	69.94	0.28	2.6%	0.31
Radiology	1,450.8	83%	1,205.3	26.48	2.66	2.6%	2.93
Pathology	4,008.6	83%	3,325.0	8.14	2.26	2.6%	2.48
Outpatient Psychiatric	302.7	100%	302.7	58.22	1.47	2.6%	1.62
Maternity	0.0	100%	0.0	909.02	0.00	2.6%	0.00
Other Professional	2,610.6	91%	2,377.8	22.10	4.38	2.6%	4.82
Subtotal	13,130.7		12,178.7	\$29.74	\$30.18		\$33.20
<i>Total Claims/Benefit Cost</i>					\$77.34		\$89.42
<i>Value of Carve-Out Services</i>					\$0.00		\$0.01
<i>Net Claims/Benefit Cost</i>					\$77.33		\$89.41

Michigan Department of Community Health
Cost Model Projections: 2006 Fiscal Year
Regions 2 - 8

4/9/2004
2:38 PM

Population : TANF Composite
High Managed Care

45 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted PMPM	Trend	Trended PMPM
<i>Inpatient Hospital</i>							
Medical/Surgical/Non-Delivery Maternity	125.1	85%	105.8	\$1,325.42	\$11.68	1.7%	\$12.43
Maternity Delivery	-	100%	-	0.00	0.00	0.0%	0.00
Well Newborn	39.5	150%	59.2	276.66	1.36	1.7%	1.45
Skilled Nursing Facility	-	100%	-	0.00	0.00	0.0%	0.00
Ungroupable Inpatient	-	100%	-	0.00	0.00	0.0%	0.00
Subtotal	164.5		165.0	\$949.16	\$13.05		\$13.88
<i>Outpatient Hospital</i>							
Emergency Room	811.9	64%	519.4	\$84.11	\$3.64	2.3%	\$3.97
Surgery	131.5	80%	105.2	356.33	3.12	2.3%	3.40
Other Outpatient	2,537.0	76%	1,925.7	60.14	9.65	2.3%	10.51
Subtotal	3,480.4		2,550.3	\$77.24	\$16.42		\$17.88
<i>Other Ancillaries</i>							
Prescription Drugs							
HIV/AIDS Drugs	0.2	92%	0.1	\$402.93	\$0.00	11.3%	\$0.01
All Other Prescription Drugs	5,187.1	91%	4,722.9	30.31	11.93	11.3%	17.82
Transportation	594.3	78%	465.8	15.67	0.61	5.4%	0.74
DME/Prosthetics/Orthotics	107.2	100%	107.2	100.49	0.90	5.4%	1.09
School Based Services	-	100%	-	0.00	0.00	0.0%	0.00
Other Ancillary	387.9	78%	302.7	20.27	0.51	5.4%	0.62
Subtotal	6,276.6		5,598.7	\$29.90	\$13.95		\$20.28
<i>Physician</i>							
Inpatient and Outpatient Surgery	379.1	85%	320.5	\$130.36	\$3.48	2.6%	\$3.83
Anesthesia	87.1	79%	69.1	81.20	0.47	2.6%	0.51
Office/Consults	2,815.3	117%	3,282.9	33.28	9.10	2.6%	10.01
Well Baby Exams/Physical Exams	478.2	145%	691.5	57.54	3.32	2.6%	3.65
Hospital Inpatient Visits	173.1	94%	162.9	49.89	0.68	2.6%	0.75
Emergency Room Visits	782.1	71%	557.0	54.88	2.55	2.6%	2.80
Clinic Visit/Services	43.1	122%	52.7	71.17	0.31	2.6%	0.34
Radiology	1,450.8	68%	987.7	26.51	2.18	2.6%	2.40
Pathology	4,008.6	68%	2,723.7	8.15	1.85	2.6%	2.03
Outpatient Psychiatric	302.7	100%	302.7	58.22	1.47	2.6%	1.62
Maternity	0.0	100%	0.0	909.02	0.00	2.6%	0.00
Other Professional	2,610.6	81%	2,116.8	22.32	3.94	2.6%	4.33
Subtotal	13,130.7		11,267.4	\$31.25	\$29.34		\$32.28
<i>Total Claims/Benefit Cost</i>					\$72.76		\$84.32
<i>Value of Carve-Out Services</i>					\$0.00		\$0.01
<i>Net Claims/Benefit Cost</i>					\$72.75		\$84.31

Michigan Department of Community Health
Cost Model Projections: 2005 Fiscal Year
Regions 1, 9, and 10

4/9/2004
2:38 PM

Population : TANF Maternity Female
Low Managed Care

33 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted CPD	Trend	Trended CPD
<i>Inpatient Hospital</i>							
Medical/Surgical/Non-Delivery Maternity	-	100%	-	\$718.16	\$0.00	1.7%	\$0.00
Maternity Delivery	2.2	100%	2.2	934.74	2,083.26	1.7%	2,179.59
Well Newborn	-	100%	-	258.54	0.00	1.7%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.7%	0.00
Ungroupable Inpatient	-	100%	-	0.00	0.00	1.7%	0.00
Subtotal	2.2		2.2		\$2,083.26		\$2,179.59
<i>Outpatient Hospital</i>							
Emergency Room	0.0	100%	0.0	\$81.92	\$0.78	2.3%	\$0.83
Surgery	0.4	100%	0.4	265.43	93.69	2.3%	99.75
Other Outpatient	0.4	100%	0.4	9.64	3.49	2.3%	3.72
Subtotal	0.7		0.7		\$97.97		\$104.30
<i>Other Ancillaries</i>							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$345.59	\$0.00	11.3%	\$0.00
All Other Prescription Drugs	-	100%	-	30.54	0.00	11.3%	0.00
Transportation	0.9	100%	0.9	14.31	12.86	5.4%	14.86
DME/Prosthetics/Orthotics	-	100%	-	0.00	0.00	5.4%	0.00
School Based Services	-	100%	-	64.09	0.00	5.4%	0.00
Other Ancillary	1.5	100%	1.5	88.48	134.38	5.4%	155.28
Subtotal	2.4		2.4		\$147.25		\$170.14
<i>Physician</i>							
Inpatient and Outpatient Surgery	-	100%	-	\$0.00	\$0.00	2.6%	\$0.00
Anesthesia	-	100%	-	62.49	0.00	2.6%	0.00
Office/Consults	-	100%	-	40.56	0.00	2.6%	0.00
Well Baby Exams/Physical Exams	-	100%	-	50.22	0.00	2.6%	0.00
Hospital Inpatient Visits	-	100%	-	62.83	0.00	2.6%	0.00
Emergency Room Visits	-	100%	-	71.10	0.00	2.6%	0.00
Clinic Visit/Services	-	100%	-	43.19	0.00	2.6%	0.00
Radiology	-	100%	-	33.48	0.00	2.6%	0.00
Pathology	0.5	100%	0.5	9.08	4.60	2.6%	4.93
Outpatient Psychiatric	-	100%	-	47.45	0.00	2.6%	0.00
Maternity	5.9	45%	2.7	315.98	840.87	2.6%	901.74
Other Professional	-	100%	-	28.60	0.00	2.6%	0.00
Subtotal	6.4		3.2		\$845.47		\$906.67
<i>Total Claims/Benefit Cost</i>					\$3,173.94		\$3,360.71
<i>Value of Carve-Out Services</i>					\$0.00		\$0.00
<i>Net Claims/Benefit Cost</i>					\$3,173.94		\$3,360.71

Michigan Department of Community Health
Cost Model Projections: 2005 Fiscal Year
Regions 1, 9, and 10

4/9/2004
2:38 PM

Population : TANF Maternity Female
High Managed Care

33 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted CPD	Trend	Trended CPD
<i>Inpatient Hospital</i>							
Medical/Surgical/Non-Delivery Maternity	-	100%	-	\$718.16	\$0.00	1.7%	\$0.00
Maternity Delivery	2.2	100%	2.2	934.74	2,083.26	1.7%	2,179.59
Well Newborn	-	100%	-	258.54	0.00	1.7%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.7%	0.00
Ungroupable Inpatient	-	100%	-	0.00	0.00	1.7%	0.00
Subtotal	2.2		2.2		\$2,083.26		\$2,179.59
<i>Outpatient Hospital</i>							
Emergency Room	0.0	100%	0.0	\$81.92	\$0.78	2.3%	\$0.83
Surgery	0.4	100%	0.4	265.43	93.69	2.3%	99.75
Other Outpatient	0.4	100%	0.4	9.64	3.49	2.3%	3.72
Subtotal	0.7		0.7		\$97.97		\$104.30
<i>Other Ancillaries</i>							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$345.59	\$0.00	11.3%	\$0.00
All Other Prescription Drugs	-	100%	-	30.54	0.00	11.3%	0.00
Transportation	0.9	100%	0.9	14.31	12.86	5.4%	14.86
DME/Prosthetics/Orthotics	-	100%	-	0.00	0.00	5.4%	0.00
School Based Services	-	100%	-	64.09	0.00	5.4%	0.00
Other Ancillary	1.5	100%	1.5	88.48	134.38	5.4%	155.28
Subtotal	2.4		2.4		\$147.25		\$170.14
<i>Physician</i>							
Inpatient and Outpatient Surgery	-	100%	-	\$0.00	\$0.00	2.6%	\$0.00
Anesthesia	-	100%	-	62.49	0.00	2.6%	0.00
Office/Consults	-	100%	-	40.56	0.00	2.6%	0.00
Well Baby Exams/Physical Exams	-	100%	-	50.22	0.00	2.6%	0.00
Hospital Inpatient Visits	-	100%	-	62.83	0.00	2.6%	0.00
Emergency Room Visits	-	100%	-	71.10	0.00	2.6%	0.00
Clinic Visit/Services	-	100%	-	43.19	0.00	2.6%	0.00
Radiology	-	100%	-	33.48	0.00	2.6%	0.00
Pathology	0.5	100%	0.5	9.08	4.60	2.6%	4.93
Outpatient Psychiatric	-	100%	-	47.45	0.00	2.6%	0.00
Maternity	5.9	45%	2.7	315.98	840.87	2.6%	901.74
Other Professional	-	100%	-	28.60	0.00	2.6%	0.00
Subtotal	6.4		3.2		\$845.47		\$906.67
<i>Total Claims/Benefit Cost</i>					\$3,173.94		\$3,360.71
<i>Value of Carve-Out Services</i>					\$0.00		\$0.00
<i>Net Claims/Benefit Cost</i>					\$3,173.94		\$3,360.71

Michigan Department of Community Health
Cost Model Projections: 2006 Fiscal Year
Regions 1, 9, and 10

4/9/2004
2:38 PM

Population : TANF Maternity Female
Low Managed Care

45 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted CPD	Trend	Trended CPD
<i>Inpatient Hospital</i>							
Medical/Surgical/Non-Delivery Maternity	-	100%	-	\$718.16	\$0.00	1.7%	\$0.00
Maternity Delivery	2.2	100%	2.2	934.74	2,083.26	1.7%	2,215.72
Well Newborn	-	100%	-	258.54	0.00	1.7%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.7%	0.00
Ungroupable Inpatient	-	100%	-	0.00	0.00	1.7%	0.00
Subtotal	2.2		2.2		\$2,083.26		\$2,215.72
<i>Outpatient Hospital</i>							
Emergency Room	0.0	100%	0.0	\$81.92	\$0.78	2.3%	\$0.85
Surgery	0.4	100%	0.4	265.43	93.69	2.3%	102.05
Other Outpatient	0.4	100%	0.4	9.64	3.49	2.3%	3.80
Subtotal	0.7		0.7		\$97.97		\$106.71
<i>Other Ancillaries</i>							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$345.59	\$0.00	11.3%	\$0.00
All Other Prescription Drugs	-	100%	-	30.54	0.00	11.3%	0.00
Transportation	0.9	100%	0.9	14.31	12.86	5.4%	15.66
DME/Prosthetics/Orthotics	-	100%	-	0.00	0.00	5.4%	0.00
School Based Services	-	100%	-	64.09	0.00	5.4%	0.00
Other Ancillary	1.5	100%	1.5	88.48	134.38	5.4%	163.66
Subtotal	2.4		2.4		\$147.25		\$179.32
<i>Physician</i>							
Inpatient and Outpatient Surgery	-	100%	-	\$0.00	\$0.00	2.6%	\$0.00
Anesthesia	-	100%	-	62.49	0.00	2.6%	0.00
Office/Consults	-	100%	-	40.56	0.00	2.6%	0.00
Well Baby Exams/Physical Exams	-	100%	-	50.22	0.00	2.6%	0.00
Hospital Inpatient Visits	-	100%	-	62.83	0.00	2.6%	0.00
Emergency Room Visits	-	100%	-	71.10	0.00	2.6%	0.00
Clinic Visit/Services	-	100%	-	43.19	0.00	2.6%	0.00
Radiology	-	100%	-	33.48	0.00	2.6%	0.00
Pathology	0.5	100%	0.5	9.08	4.60	2.6%	5.06
Outpatient Psychiatric	-	100%	-	47.45	0.00	2.6%	0.00
Maternity	5.9	45%	2.7	315.98	840.87	2.6%	924.94
Other Professional	-	100%	-	28.60	0.00	2.6%	0.00
Subtotal	6.4		3.2		\$845.47		\$930.01
<i>Total Claims/Benefit Cost</i>					\$3,173.94		\$3,431.75
<i>Value of Carve-Out Services</i>					\$0.00		\$0.00
<i>Net Claims/Benefit Cost</i>					\$3,173.94		\$3,431.75

Michigan Department of Community Health
Cost Model Projections: 2006 Fiscal Year
Regions 1, 9, and 10

4/9/2004
2:38 PM

Population : TANF Maternity Female
High Managed Care

45 Months of Trend

Type of Service	Base Util Rate Per 1,000	Managed Care Adjustment	Adjusted Util Rate Per 1,000	Adjusted Cost Per Service	Adjusted CPD	Trend	Trended CPD
<i>Inpatient Hospital</i>							
Medical/Surgical/Non-Delivery Maternity	-	100%	-	\$718.16	\$0.00	1.7%	\$0.00
Maternity Delivery	2.2	100%	2.2	934.74	2,083.26	1.7%	2,215.72
Well Newborn	-	100%	-	258.54	0.00	1.7%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.7%	0.00
Ungroupable Inpatient	-	100%	-	0.00	0.00	1.7%	0.00
Subtotal	2.2		2.2		\$2,083.26		\$2,215.72
<i>Outpatient Hospital</i>							
Emergency Room	0.0	100%	0.0	\$81.92	\$0.78	2.3%	\$0.85
Surgery	0.4	100%	0.4	265.43	93.69	2.3%	102.05
Other Outpatient	0.4	100%	0.4	9.64	3.49	2.3%	3.80
Subtotal	0.7		0.7		\$97.97		\$106.71
<i>Other Ancillaries</i>							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$345.59	\$0.00	11.3%	\$0.00
All Other Prescription Drugs	-	100%	-	30.54	0.00	11.3%	0.00
Transportation	0.9	100%	0.9	14.31	12.86	5.4%	15.66
DME/Prosthetics/Orthotics	-	100%	-	0.00	0.00	5.4%	0.00
School Based Services	-	100%	-	64.09	0.00	5.4%	0.00
Other Ancillary	1.5	100%	1.5	88.48	134.38	5.4%	163.66
Subtotal	2.4		2.4		\$147.25		\$179.32
<i>Physician</i>							
Inpatient and Outpatient Surgery	-	100%	-	\$0.00	\$0.00	2.6%	\$0.00
Anesthesia	-	100%	-	62.49	0.00	2.6%	0.00
Office/Consults	-	100%	-	40.56	0.00	2.6%	0.00
Well Baby Exams/Physical Exams	-	100%	-	50.22	0.00	2.6%	0.00
Hospital Inpatient Visits	-	100%	-	62.83	0.00	2.6%	0.00
Emergency Room Visits	-	100%	-	71.10	0.00	2.6%	0.00
Clinic Visit/Services	-	100%	-	43.19	0.00	2.6%	0.00
Radiology	-	100%	-	33.48	0.00	2.6%	0.00
Pathology	0.5	100%	0.5	9.08	4.60	2.6%	5.06
Outpatient Psychiatric	-	100%	-	47.45	0.00	2.6%	0.00
Maternity	5.9	45%	2.7	315.98	840.87	2.6%	924.94
Other Professional	-	100%	-	28.60	0.00	2.6%	0.00
Subtotal	6.4		3.2		\$845.47		\$930.01
<i>Total Claims/Benefit Cost</i>					\$3,173.94		\$3,431.75
<i>Value of Carve-Out Services</i>					\$0.00		\$0.00
<i>Net Claims/Benefit Cost</i>					\$3,173.94		\$3,431.75

Michigan Department of Community Health
Cost Model Projections: 2005 Fiscal Year
Regions 2 - 8

4/9/2004
2:38 PM

Population : TANF Maternity Female
Low Managed Care

33 Months of Trend

Type of Service	Base Util Rate Per Delivery	Managed Care Adjustment	Adjusted Util Rate Per Delivery	Adjusted Cost Per Service	Adjusted CPD	Trend	Trended CPD
<i>Inpatient Hospital</i>							
Medical/Surgical/Non-Delivery Maternity	-	100%	-	\$645.95	\$0.00	1.7%	\$0.00
Maternity Delivery	2.4	100%	2.4	885.41	2,090.46	1.7%	2,187.13
Well Newborn	-	100%	-	240.48	0.00	1.7%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.7%	0.00
Ungroupable Inpatient	-	100%	-	0.00	0.00	1.7%	0.00
Subtotal	2.4		2.4		\$2,090.46		\$2,187.13
<i>Outpatient Hospital</i>							
Emergency Room	0.1	100%	0.1	\$77.18	\$7.08	2.3%	\$7.54
Surgery	0.2	100%	0.2	323.58	57.24	2.3%	60.95
Other Outpatient	0.5	100%	0.5	10.57	5.16	2.3%	5.49
Subtotal	0.8		0.8		\$69.48		\$73.98
<i>Other Ancillaries</i>							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$385.76	\$0.00	11.3%	\$0.00
All Other Prescription Drugs	-	100%	-	33.35	0.00	11.3%	0.00
Transportation	0.8	100%	0.8	20.00	15.53	5.4%	17.95
DME/Prosthetics/Orthotics	-	100%	-	0.00	0.00	5.4%	0.00
School Based Services	-	100%	-	71.16	0.00	5.4%	0.00
Other Ancillary	2.5	100%	2.5	85.75	216.95	5.4%	250.69
Subtotal	3.3		3.3		\$232.49		\$268.63
<i>Physician</i>							
Inpatient and Outpatient Surgery	-	100%	-	\$0.00	\$0.00	2.6%	\$0.00
Anesthesia	-	100%	-	82.46	0.00	2.6%	0.00
Office/Consults	-	100%	-	35.07	0.00	2.6%	0.00
Well Baby Exams/Physical Exams	-	100%	-	50.43	0.00	2.6%	0.00
Hospital Inpatient Visits	-	100%	-	61.03	0.00	2.6%	0.00
Emergency Room Visits	-	100%	-	68.31	0.00	2.6%	0.00
Clinic Visit/Services	-	100%	-	48.76	0.00	2.6%	0.00
Radiology	0.0	100%	0.0	33.44	0.02	2.6%	0.02
Pathology	4.1	100%	4.1	10.19	41.32	2.6%	44.31
Outpatient Psychiatric	-	100%	-	46.79	0.00	2.6%	0.00
Maternity	5.3	60%	3.2	243.04	767.44	2.6%	822.99
Other Professional	-	100%	-	25.83	0.00	2.6%	0.00
Subtotal	9.3		7.2		\$808.78		\$867.32
<i>Total Claims/Benefit Cost</i>					\$3,201.21		\$3,397.06
<i>Value of Carve-Out Services</i>					\$0.00		\$0.00
<i>Net Claims/Benefit Cost</i>					\$3,201.21		\$3,397.06

Michigan Department of Community Health
Cost Model Projections: 2005 Fiscal Year
Regions 2 - 8

4/9/2004
2:38 PM

Population : TANF Maternity Female
High Managed Care

33 Months of Trend

Type of Service	Base Util Rate Per Delivery	Managed Care Adjustment	Adjusted Util Rate Per Delivery	Adjusted Cost Per Service	Adjusted CPD	Trend	Trended CPD
<i>Inpatient Hospital</i>							
Medical/Surgical/Non-Delivery Maternity	-	100%	-	\$645.95	\$0.00	1.7%	\$0.00
Maternity Delivery	2.4	100%	2.4	885.41	2,090.46	1.7%	2,187.13
Well Newborn	-	100%	-	240.48	0.00	1.7%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.7%	0.00
Ungroupable Inpatient	-	100%	-	0.00	0.00	1.7%	0.00
Subtotal	2.4		2.4		\$2,090.46		\$2,187.13
<i>Outpatient Hospital</i>							
Emergency Room	0.1	100%	0.1	\$77.18	\$7.08	2.3%	\$7.54
Surgery	0.2	100%	0.2	323.58	57.24	2.3%	60.95
Other Outpatient	0.5	100%	0.5	10.57	5.16	2.3%	5.49
Subtotal	0.8		0.8		\$69.48		\$73.98
<i>Other Ancillaries</i>							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$385.76	\$0.00	11.3%	\$0.00
All Other Prescription Drugs	-	100%	-	33.35	0.00	11.3%	0.00
Transportation	0.8	100%	0.8	20.00	15.53	5.4%	17.95
DME/Prosthetics/Orthotics	-	100%	-	0.00	0.00	5.4%	0.00
School Based Services	-	100%	-	71.16	0.00	5.4%	0.00
Other Ancillary	2.5	100%	2.5	85.75	216.95	5.4%	250.69
Subtotal	3.3		3.3		\$232.49		\$268.63
<i>Physician</i>							
Inpatient and Outpatient Surgery	-	100%	-	\$0.00	\$0.00	2.6%	\$0.00
Anesthesia	-	100%	-	82.46	0.00	2.6%	0.00
Office/Consults	-	100%	-	35.07	0.00	2.6%	0.00
Well Baby Exams/Physical Exams	-	100%	-	50.43	0.00	2.6%	0.00
Hospital Inpatient Visits	-	100%	-	61.03	0.00	2.6%	0.00
Emergency Room Visits	-	100%	-	68.31	0.00	2.6%	0.00
Clinic Visit/Services	-	100%	-	48.76	0.00	2.6%	0.00
Radiology	0.0	100%	0.0	33.44	0.02	2.6%	0.02
Pathology	4.1	100%	4.1	10.19	41.32	2.6%	44.31
Outpatient Psychiatric	-	100%	-	46.79	0.00	2.6%	0.00
Maternity	5.3	60%	3.2	243.04	767.44	2.6%	822.99
Other Professional	-	100%	-	25.83	0.00	2.6%	0.00
Subtotal	9.3		7.2		\$808.78		\$867.32
<i>Total Claims/Benefit Cost</i>					\$3,201.21		\$3,397.06
<i>Value of Carve-Out Services</i>					\$0.00		\$0.00
<i>Net Claims/Benefit Cost</i>					\$3,201.21		\$3,397.06

Michigan Department of Community Health
Cost Model Projections: 2006 Fiscal Year
Regions 2 - 8

4/9/2004
2:38 PM

Population : TANF Maternity Female
Low Managed Care

45 Months of Trend

Type of Service	Base Util Rate Per Delivery	Managed Care Adjustment	Adjusted Util Rate Per Delivery	Adjusted Cost Per Service	Adjusted CPD	Trend	Trended CPD
<i>Inpatient Hospital</i>							
Medical/Surgical/Non-Delivery Maternity	-	100%	-	\$645.95	\$0.00	1.7%	\$0.00
Maternity Delivery	2.4	100%	2.4	885.41	2,090.46	1.7%	2,223.38
Well Newborn	-	100%	-	240.48	0.00	1.7%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.7%	0.00
Ungroupable Inpatient	-	100%	-	0.00	0.00	1.7%	0.00
Subtotal	2.4		2.4		\$2,090.46		\$2,223.38
<i>Outpatient Hospital</i>							
Emergency Room	0.1	100%	0.1	\$77.18	\$7.08	2.3%	\$7.71
Surgery	0.2	100%	0.2	323.58	57.24	2.3%	62.35
Other Outpatient	0.5	100%	0.5	10.57	5.16	2.3%	5.62
Subtotal	0.8		0.8		\$69.48		\$75.68
<i>Other Ancillaries</i>							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$385.76	\$0.00	11.3%	\$0.00
All Other Prescription Drugs	-	100%	-	33.35	0.00	11.3%	0.00
Transportation	0.8	100%	0.8	20.00	15.53	5.4%	18.92
DME/Prosthetics/Orthotics	-	100%	-	0.00	0.00	5.4%	0.00
School Based Services	-	100%	-	71.16	0.00	5.4%	0.00
Other Ancillary	2.5	100%	2.5	85.75	216.95	5.4%	264.21
Subtotal	3.3		3.3		\$232.49		\$283.13
<i>Physician</i>							
Inpatient and Outpatient Surgery	-	100%	-	\$0.00	\$0.00	2.6%	\$0.00
Anesthesia	-	100%	-	82.46	0.00	2.6%	0.00
Office/Consults	-	100%	-	35.07	0.00	2.6%	0.00
Well Baby Exams/Physical Exams	-	100%	-	50.43	0.00	2.6%	0.00
Hospital Inpatient Visits	-	100%	-	61.03	0.00	2.6%	0.00
Emergency Room Visits	-	100%	-	68.31	0.00	2.6%	0.00
Clinic Visit/Services	-	100%	-	48.76	0.00	2.6%	0.00
Radiology	0.0	100%	0.0	33.44	0.02	2.6%	0.02
Pathology	4.1	100%	4.1	10.19	41.32	2.6%	45.46
Outpatient Psychiatric	-	100%	-	46.79	0.00	2.6%	0.00
Maternity	5.3	60%	3.2	243.04	767.44	2.6%	844.17
Other Professional	-	100%	-	25.83	0.00	2.6%	0.00
Subtotal	9.3		7.2		\$808.78		\$889.64
<i>Total Claims/Benefit Cost</i>					\$3,201.21		\$3,471.83
<i>Value of Carve-Out Services</i>					\$0.00		\$0.00
<i>Net Claims/Benefit Cost</i>					\$3,201.21		\$3,471.83

Michigan Department of Community Health
Cost Model Projections: 2006 Fiscal Year
Regions 2 - 8

4/9/2004
2:38 PM

Population : TANF Maternity Female
High Managed Care

45 Months of Trend

Type of Service	Base Util Rate Per Delivery	Managed Care Adjustment	Adjusted Util Rate Per Delivery	Adjusted Cost Per Service	Adjusted CPD	Trend	Trended CPD
<i>Inpatient Hospital</i>							
Medical/Surgical/Non-Delivery Maternity	-	100%	-	\$645.95	\$0.00	1.7%	\$0.00
Maternity Delivery	2.4	100%	2.4	885.41	2,090.46	1.7%	2,223.38
Well Newborn	-	100%	-	240.48	0.00	1.7%	0.00
Skilled Nursing Facility	-	100%	-	0.00	0.00	1.7%	0.00
Ungroupable Inpatient	-	100%	-	0.00	0.00	1.7%	0.00
Subtotal	2.4		2.4		\$2,090.46		\$2,223.38
<i>Outpatient Hospital</i>							
Emergency Room	0.1	100%	0.1	\$77.18	\$7.08	2.3%	\$7.71
Surgery	0.2	100%	0.2	323.58	57.24	2.3%	62.35
Other Outpatient	0.5	100%	0.5	10.57	5.16	2.3%	5.62
Subtotal	0.8		0.8		\$69.48		\$75.68
<i>Other Ancillaries</i>							
Prescription Drugs							
HIV/AIDS Drugs	-	100%	-	\$385.76	\$0.00	11.3%	\$0.00
All Other Prescription Drugs	-	100%	-	33.35	0.00	11.3%	0.00
Transportation	0.8	100%	0.8	20.00	15.53	5.4%	18.92
DME/Prosthetics/Orthotics	-	100%	-	0.00	0.00	5.4%	0.00
School Based Services	-	100%	-	71.16	0.00	5.4%	0.00
Other Ancillary	2.5	100%	2.5	85.75	216.95	5.4%	264.21
Subtotal	3.3		3.3		\$232.49		\$283.13
<i>Physician</i>							
Inpatient and Outpatient Surgery	-	100%	-	\$0.00	\$0.00	2.6%	\$0.00
Anesthesia	-	100%	-	82.46	0.00	2.6%	0.00
Office/Consults	-	100%	-	35.07	0.00	2.6%	0.00
Well Baby Exams/Physical Exams	-	100%	-	50.43	0.00	2.6%	0.00
Hospital Inpatient Visits	-	100%	-	61.03	0.00	2.6%	0.00
Emergency Room Visits	-	100%	-	68.31	0.00	2.6%	0.00
Clinic Visit/Services	-	100%	-	48.76	0.00	2.6%	0.00
Radiology	0.0	100%	0.0	33.44	0.02	2.6%	0.02
Pathology	4.1	100%	4.1	10.19	41.32	2.6%	45.46
Outpatient Psychiatric	-	100%	-	46.79	0.00	2.6%	0.00
Maternity	5.3	60%	3.2	243.04	767.44	2.6%	844.17
Other Professional	-	100%	-	25.83	0.00	2.6%	0.00
Subtotal	9.3		7.2		\$808.78		\$889.64
<i>Total Claims/Benefit Cost</i>					\$3,201.21		\$3,471.83
<i>Value of Carve-Out Services</i>					\$0.00		\$0.00
<i>Net Claims/Benefit Cost</i>					\$3,201.21		\$3,471.83